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ABSTRACT

The Senate Select Committee on Indian Affairs met to hear testimony on the proposed budget for the 1985 fiscal year, which calls for continued support of Indian self-determination by strengthening tribal governments and decreasing unnecessary Federal intrusion in reservation affairs. Discussion was primarily concerned with funding for Indian education programs, especially preschool and postsecondary education, and Indian health programs. Other topics were natural resource and economic development, including irrigation projects and effective law enforcement for Indian fisheries in the Columbia River basin. Government witnesses included representatives of the Bureau of Indian Affairs and pertinent agencies of the Department of Health and Human Services and the Department of Education. Witnesses from tribes and tribal organizations included representatives from Indian schools and colleges; INMED (Indians Into Medicine); the National Association of Community Health Representatives; American Indian Scholarships, Inc.; the Council of Energy Resources Tribes; Columbia River Inter-tribal Fish Commission; and the American Indian Higher Education Consortium. In addition to testimony before the committee, this document includes numerous prepared statements, letters, and study reports. (JHZ)

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FISCAL YEAR 1985 BUDGET

ED257592

HEARINGS

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

THE FISCAL YEAR 1985 BUDGET

FEBRUARY 21 AND 23, 1984

WASHINGTON, DC

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FISCAL YEAR 1985 BUDGET

FEBRUARY 21, 1984

U.S. Senate,
Select Committee on Indian Affairs,
Washington, DC.

The committee met, pursuant to notice, at 10:27 a.m., in room 385, Russell Senate Office Building, Senator Mark Andrews (chairman of the committee) presiding.

Present: Senators Andrews and Melcher.

Staff present: Paul Alexander, staff director; Peter Taylor, general counsel; Mary Jane Wrenn, special counsel; Ginny Boylan, staff attorney; John Vance, staff attorney; Michael Mahsetky, professional staff; June Tracy, professional staff; and Elisa Geier, professional staff.

Senator **Andrews**. Good morning.

This hearing begins the committee's fourth annual budget review of the agencies over which we have authorization jurisdiction. Based on the record that we obtain from administration witnesses and from witnesses representing Indian tribes and organizations, we will prepare a report to the Budget Committee. This year our report is due on March 15 and, therefore, any information requested at this hearing will have to be received no later than 10 days hence.

This morning we will receive testimony from the Bureau of Indian Affairs, and this afternoon we will hear from tribal witnesses. On Thursday we will receive testimony from pertinent agencies of the Department of Health and Human Services, the Department of Education, and from tribal organizations.

Our first witness this morning is the Assistant Secretary for Indian Affairs, Ken Smith.

Ken, welcome back. I am glad to see a number of things in your budget, including the fact that Cooperative Indian School is retained.

Mr. **Smith**. Yes, it is.

Senator **Andrews**. We do notice these things.

Mr. **Smith**. I think I learned my lesson on that one, Mr. Chairman.

Senator **Andrews**. I appreciate your support for this most needed educational endeavor for the young members of tribes in a multi-State area. That is showing great wisdom.

Mr. **Smith**. Thank you.

Senator **Andrews**. John, do you have any introductory remarks?

Senator **Melcher**. No.

Senator **Andrews**. You may proceed.

STATEMENT OF KENNETH L. SMITH, ASSISTANT SECRETARY, BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY JOHN FRITZ, DEPUTY ASSISTANT SECRETARY; MICHAEL O'BANNON, ACTING DIRECTOR, FINANCIAL MANAGEMENT; NANCY GARRETT, DEPUTY DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS; KENNETH ROSS, ACTING DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS; JAMES BREGMAN, ACTING DIRECTOR, OFFICE OF DATA SYSTEMS; TED KRENZKE, DIRECTOR OF INDIAN SERVICES; AND SID MILLS, DIRECTOR OF TRUST RESPONSIBILITIES

Mr. SMITH. Thank you, Mr. Chairman and Senator Melcher.

I am very pleased to be here this morning to present our 1985 budget proposal.

I have with me this morning, to my right, John Fritz, who is my Deputy for Operations who runs the Bureau of Indian Affairs, and to my left I have Michael O'Bannon, who is our Acting Director of Financial Management. The Office directors are in the audience and I will call upon them to answer any specific questions you may have.

With the committee's permission, I would like to summarize the written statement that I submitted yesterday.

We are requesting in our fiscal year 1985 budget authority $1,479 billion, of which $928.7 million is direct Federal appropriations and $550.5 million is related to permanent and trust funds. This request is approximately $21 million more in total funding for the operation of Indian programs than we have for 1984. This increase does not reflect the $100 million to be received in 1985 for roads construction funding from the Highway Trust Fund.

The $21 million increase in funding for the operation of Indian programs is spread throughout the budget and reflects tribal input related to me and my staff in budget briefings we held in Indian country last spring. I would like to discuss some of these increases which show up in our request.

In 1983 and 1984, we requested $10 million for an economic development initiative which was to be used as "seed" money for 25 percent of the cost of tribal ventures to boost the economies on our reservations and create real jobs. Our appropriation for that initiative was only $5 million each year. For 1985 we are again asking Congress to appropriate $10 million for this effort.

Mr. Chairman, the record of the tribes' use of those funds has met and exceeded our expectations. Last year we received 47 tribal applications for those funds. The total amount requested was $13.6 million. If all of those requests had met our requirements, and if we had the money to fund them, we would have generated approximately 106 million dollars' worth of projects in Indian country with only $13.6 million of Federal funds. However, the $5 million we had available funded 21 projects that generated $23.9 million of projects. Of the $5 million we have available for 1984, we expect to commit all of those funds from the applications we will have on hand by the end of March.

Mr. Chairman, the intent of the program was to tap the private sector for the dollars needed to finance economic projects, and it has worked.

We can adequately utilize the $10 million we are asking for this year, and it will be another significant step in improving the economies on Indian reservations.

In our other initiative, development of a core management of small tribal governments, we are asking for an increase of $1.5 million, for a total of $5 million. We asked for $5 million last year but were only funded $3.5 million.

Mr. Chairman, this has been another successful program. One hundred and seventy-five small tribes and Alaska village communities received grants enabling them to hire managers, bookkeepers, accountants, and other personnel for managerial roles that assisted in management of their governments.

These and other programs within our budget encourage tribes to assume greater responsibility for their own reservation programs and services. Another reflection of that, too, is the increased contracting by tribes. Tribes were contracting $203 million in programs in 1980. By 1982 that figure had grown to $235 million, and up to $240 million by 1983.

With the grants we have for tribes, plus the contracts, we expect that more than $315 million in 1984 will be going directly to local tribal governments for operation of their programs and projects. This is one-third of our total budget.

We are continuing to streamline the functions and administrative costs of the Bureau, particularly at the central and the area office levels so we can maximize funds available at the reservation level.

During fiscal year 1984, we budgeted $17 million less to operate our management and overhead function. We have felt the crunch in that area, but it has forced all of us in the Bureau to be better managers and to be more innovative in our ideas.

When I came into this job about 3 years ago, I found some classic management problems that had been around for a long time. While we have made substantial progress in correcting them, we still have a long way to go because of the magnitude of the problems.

The financial system of the Bureau was one of the problems. The Bureau's accounting system was last certified by the General Accounting Office in 1952. Substantial changes in the Bureau's operation during the last 31 years made recertification necessary. We are requesting $750,000 to get the project started.

As trustee, we are managing and investing $1.7 billion of tribal funds. It is hard to believe that there had never been a review of whether or not we were doing a good job. We contracted with one of the big eight firms to make an indepth review of Indian trust funds. This review indicated that our investment performance had exceeded the performance of comparably professionally managed funds, but identified weaknesses in our trust fund accounting and our cash management. We will definitely correct these weaknesses and consider the other recommendations of the review.

Our automatic data processing, ADP, was another weakness. The Bureau, acting under a 1978 congressional directive prior to my arrival, attained departmental and GSA approval of a plan, advertised for bids, and had an award on my desk when I took the job. We have perceived some weaknesses in administering of this plan, and we are correcting them. I thought it of such importance that I personally took a hand in selection of new professional managers, elevated the management to an SES level, and established a new Office of Data Systems reporting directly to my office.

There will probably be additional discussion later on ADP in our hearing and we would like to go through that whole process with you.

There are other management weaknesses that we do have: paying our vouchers promptly; and paying our contracts to tribes promptly. We are improving those functions. There are several others we can identify, and we could probably talk all day of the weaknesses of the Bureau, but it is going to take time to correct them. We are getting on top of them, but it is going to take a few years to really solve them.

Mr. Chairman, those are a few of the important points I wanted to make about our 1985 budget request, in addition to those discussed in the prepared statement.

Of course, again, this is a lean budget and it will challenge us to use funds efficiently to meet the program needs of Indian people.

That completes my opening remarks, Mr. Chairman, and I would be glad to respond to any questions you may have.

Senator ANDREWS. Thank you, Mr. Secretary.

We can see that it is a lean budget. We hope it is not a mean budget. We appreciate the candor with which you made your statement.

On February 10, 1984, the chairman of the House Appropriations Subcommittee on Interior wrote you regarding excessive expenditures as ADP modernization. Your budget justification states you are preparing a detailed reprogramming request. What are your projections for ADP expenditure in fiscal 1984, and how much does this exceed the amount appropriated for this purpose?

Mr. SMITH. Mr. Chairman, I might start off at the beginning and explain what Congress did to us last year. We requested $3.1 million as a line item and a little over $600,000 in another line item, for a total of $3.[illegible] million in our 1984 proposal. We had planned to use user charges to pay the additional ADP charges to the other programs within the OIP, but Congress did not give us the funding or the authority.

They told us we could not utilize the user charge method, and they did not appropriate any direct funding. They essentially gave us zero dollars in 1984 but authorized to expend $3 million from other programs, which left us between a rock and hard place. We were to report back to the Congress following a review of our weaknesses in ADP. Also, we were to come back to the committees and discuss our new procedures and our plan concerning how we were going to implement our ADP program.

We have to date estimated that last year, in fiscal year 1983, we spent approximately $21.2 million for ADP after gathering our information from area offices. I might add that our ODS, Office of Data Systems, crew went out and thrashed and turned over rocks and tried to capture all the ADP expenses—the true expenses. They determined expenditures of $21.2 million. They have forecast $22.2 million for fiscal year 1984 and we are taking a look at those figures right now. Mr. Chairman, what we are hoping to do is reduce the $22.2 million to something below that. We are looking at three alternatives.

We will report back to the Appropriation Committees, and we will be recommending a financing plan in the next week to 2 weeks. We have to move fairly fast on this. We have three options that we see.

First of all, we can ask for a supplement for the total $22.2 million less whatever we can save. Second, we can propose to reprogram the total cost to all the programs that we think are using ADP. The third, which is probably one that we will propose, is a combination of some user charges or allocating funds to certain programs that we know are using ADP and request the balance as a supplemental. It will probably be a combination.

Mr. Michael O'Bannon has been in the middle of this, and also our Director for ADP.

Senator **Andrews**. You said something that stimulated my imagination when you said you are looking under every rock to find this money. From what programs are you anticipating reprogramming these funds?

Mr. **Smith**. Reprogramming these funds? Right now, Mr. Chairman, I feel——

Senator **Andrews**. Which are these rocks that you are cutting stuff out of in order to——

Mr. **Smith**. Well, we have not made that proposal, but, Mr. Chairman, I would like to let you know how I feel about it.

First of all, I think we should hold harmless any contract that we have with an Indian tribe. If they are contracting a program, they should get 100 percent of those funds. I earlier indicated they are contracting about $240 million.

I think the next priority would be to hold harmless schools and the JOM. Those are the three specific programs that I believe we should hold harmless.

That is the direction I am leaning. We do not know what is going to come out of the Department.

Michael, do you want to add anything to that which might further explain the process?

Mr. **O'Bannon**. What we have done so far, Mr. Chairman, is to look at all of the Bureau's programs. In the analytical process we have gone through a fairly substantial analysis of all of the programs to look at what the impacts might be if we implemented a pro rata reduction against all of the programs in fiscal year 1984 to cover the total $22.2 million bill.

This analysis has generated quite a bit of controversy in that some programs that Secretary Smith has just indicated he would prefer to hold harmless would necessarily, on this kind of a basis, be charged. So as this analysis has been going on, there has been a lot of talk about the analytical process.

The second part of the process has been, as he indicated, to go out into the field and actually try to get a handle on exactly what it is they are planning to expend. The second part of that process is from what funding source they intend to pay the bill. That part of the process is still underway. So we are still reviewing that as well as the pro rata option.

In addition, one of the things we have done through our Office of Data Systems was taking a look at the program without consideration to funding or funding limitation, just the total systems, and questioning whether they are providing the kind of data and the quality of data that the Bureau needs in its management information process. These are just basic life support processes, such as processing checks. Where there are opportunities to make savings, we are aggressively pursuing making those savings.

Perhaps the best illustration is one that has resulted in a cost avoidance of $600,000. That is a case where, with the cooperation of all of the areas, the B-94 systems, 27 machines are planned to be returned to the vendor somewhere within the next 90 days. This is a cost avoidance of $600,000. This is an example of what the Bureau is doing.

There are a number of other things that are underway in terms of that analytical process, and Mr. Bregman can address those if you would like.

Senator ANDREWS. When we sit on these committees, we have a number of little birds that fly and sit on our windowsill and tell us interesting things. We have been advised that you have a number of programs that you have allotted at 75 percent of funding levels, presumably to reserve funds for a reprogramming request.

Now if this is going on, what are these programs and what is the impact of this partial allotment on their actual operation at this time?

Mr. SMITH. Mr. Chairman, let me try to respond to that first, and then I will turn it over to Michael for any detail that I might miss.

There was miscommunication from our Budget Office that went out into the field related to the self-determination grants funding level. What they were saying was that field offices should plan for a 25-percent reduction. The initial tentative allocation was really a planning figure that we had in 1983 versus what the actual amount that Congress appropriated in 1984. When you compare the 1983 actual with the 1984 actual, it was only a difference of 3 percent. We have since corrected that memorandum, but it may have not caught up with everybody in Indian country. There is not a reduction of 25 percent.

Senator ANDREWS. It is also my understanding that you have dropped the proposal to transfer $7.4 million from the Alamo Navajo School for construction to social services and will now seek a supplemental.

Mr. SMITH. Yes, we will, Mr. Chairman.

Senator ANDREWS. Well, you know, all of these things go on—under the Bureau's proposed budget, what changes, if any, will there be in total staffing nationwide, and do that in a breakout comparing the DC level and the field level.

Mr. SMITH. I will have Mr. O'Bannon answer that.

Mr. O'BANNON. Mr. Chairman, I think what drives the question is when you look at the 1984 FTE figures that were included in the budget in fiscal year 1984, the numbers look substantially different than the numbers that are justified now in the 1985 budget. The 1984 FTE's were based on 1982 FTE figures that were generated during the process of converting from the end-of-year system. That conversion process went awry in just about every agency in town as we were moving to the new system.

The 1984 numbers are based on 1983 actual FTE figures that were collected during the last year. The deviations you see in the 1984 and 1985 numbers from the figures you have seen before are related to actual usage of FTE throughout the Bureau of Indian Affairs.

Senator **ANDREWS**. Are you going to make any changes in personnel in the District?

Mr. O'**BANNON**. There will be adjustments in FTE throughout the year as programs——

Senator **ANDREWS**. I know, but can you tell the committee that you plan to cut the number of staff at the D.C. level and put more out in the field or are you going to bring more from the field back in to bask in this wonderful security blanket called "the District headquarters"?

Mr. O'**BANNON**. I do not think that you will find any increases in central staff, with the exception of the Office of Data Systems and the oversight for 638 contracts.

Senator **ANDREWS**. Will the entire decrease come out of the programs out in the field?

Mr. O'**BANNON**. The major part of the decreases are in the schools, the Intermountain School that is being closed and the transfer of Alaska day schools.

Senator **ANDREWS**. Can you explain what the position management bulge reduction is? Do you expect it is going to affect the Bureau?

Mr. O'**BANNON**. I actually lived to explain this.

Senator **ANDREWS**. I have been trying to work on a bulge reduction for quite some time. It is not working too well, and I wondered how you were doing yours.

Mr. O'**BANNON**. This is a governmentwide management initiative which is being managed by the Office of Management and Budget and the Office of Personnel Management. I suppose the easiest way to explain it is to state that there is a bulge in the grade level 11 to 15 ranks throughout Government. The impetus of the initiative is to reduce that bulge by reducing the numbers of grade level 11 through 15's throughout the Government.

What we have, Mr. Chairman, is a target of $413,000. Honestly, at this point all we have done is done a pro rata distribution of positions in the grade levels 11 through 15 throughout the Bureau, which would affect approximately 117 positions. How that is going to be implemented, we don't know at this point.

Senator **ANDREWS**. Well, that is the problem; we do not know how it is going to be implemented.

Has any thought been given to the actual positions to be affected or was this initiative just based on numbers?

Mr. O'**BANNON**. This was an initiative drive by a budgetary decision to reduce $413,000 from within the ranks of grade level 11 to 15's.

Senator **ANDREWS**. But you are not looking at the relative priority of a certain position over another?

Mr. O'**BANNON**. Not yet.

Senator **Andrews**. I know not yet, but that holds out promise that you are going to look for quality rather than just quantity reductions.

Mr. **O'Bannon**. One might think so, but we have no instructions yet from the Department on how that is going to be implemented.

Senator **Andrews**. I do not think one might think so. One does not think so, but one could hope so.

What I am trying to do is to make that hope become more of a reality. Do I understand that that is what you and the Secretary are hoping?

Mr. **O'Bannon**. That is what we are hoping.

Senator **Andrews**. Even though we might not think so.

Given the annual problem that the schools have experienced concerning their funding levels, do you think that forward funding would improve the administration of BIA-operated or contracted schools?

Mr. **Smith**. Mr. Chairman, personally, I think it would improve efficiency if you had the funding cycle start when schools open. In other words, make the funding cycle the same as the school cycle. I think that would help.

The problem is that you have to get the number of dollars appropriated ahead of time, and we may have a problem of appropriating the necessary dollars or recommending the appropriate number of dollars to start, unless we do it in phases.

Senator **Andrews**. But sometimes you lose out on the best teachers and the best administrators unless they have some assurance of continuity.

Mr. **Smith**. Yes.

Senator **Andrews**. You also are playing around with this attendance boundary question. Can you tell us briefly how the BIA will institute attendance boundaries for the 1984–85 school year?

Mr. **Smith**. Mr. Chairman, I think I would like to call my acting Director of Education up here to go into a little more detail on it.

Senator **Andrews**. I do not want the whole load dropped on me. I just want a brief description of what you are trying to do, so that we might stimulate our interest and look a little closer.

Mr. **Smith**. OK, Mr. Chairman. We just want to establish boundaries for all of our Bureau-operated schools. We have 206 facilities out in Indian country, and we do not want to have any overlapping of boundaries.

Right now, we have established boundaries for every Bureau school in the system other than on Navajo and for the eight off-reservation boarding schools. We are working with Navajo to try to develop some boundaries within Navajo. Hopefully, those boundary determinations will be finished in May of this year, so that next year we will have school boundaries for all Bureau schools. There won't be any overlapping of boundaries.

The one area that we still have some problems with is working with the off-reservation boarding school boundaries, because they are unique in the school system. We are going to have to sit down and carry on more discussion with the school boards on how we create the boundaries.

We are working to develop those boundaries so that there will not be any overlapping.

Senator **Andrews**. Could you explain the apparent discrepancy in the decrease in the budget for title I tribal college grants and projected increase in FTE's?

Mr. **Smith**. Yes. I think I can have Nancy Garrett come up here and respond to that, Mr. Chairman.

Ms. **Garrett**. Mr. Chairman, I do not know how detailed you want me to get, so I will give a——

Senator **Andrews**. All I want is a very brief and concise statement of what you are doing and what you are up to and how you explain it.

Ms. **Garrett**. The Congress in 1984 appropriated additional funds for the tribally controlled community colleges. For title I at the time of the congressional add-on, the President's 1984 budget reflected an estimated FTE for the tribally controlled community colleges of 2,695. If you take that FTE figure, 2,695, and divide it into the amount of money provided by the Congress in the 1984 appropriation, you come up with $2,390 per FTE.

We have structured our fiscal year 1985 budget using that same $2,390 per FTE for the estimated number of FTE's that we expect to have in the title colleges which is 2,549 FTE. So, while the dollars are less, the per-FTE value for the title I schools of $2,390 is carried forward from 1984 into 1985.

Now the estimate shown in the budget for the first semester of this year is slightly over 2,500 FTE. However, we do not do the final FTE counts for the tribally controlled community colleges until April, because half of the schools are on a semester basis and half of the schools are on a quarter basis.

Our experience has been that the certified FTE value, number, at the end of any given year is less than the number reflected for the first semester. So we do not believe that our projection of 2,549 FTE, for fiscal year 1985 is unrealistic or out of line.

Now the third quarter for this year will not begin until April 1. So we will go out and do the certifications for those nine schools about the middle of April. We simply do not know what those final figures are going to be for 1984 at this point. But based on our experience and based on the certified number for fiscal year 1983, we believe that the numbers we have in there for fiscal year 1985 are the best that we can come up with at this time.

The final point that I would make, however, is that the estimated FTE value for fiscal year 1985, we believe, is consistent with the congressional intent for that FTE value in the fiscal year 1984 budget appropriated for the Department of the Interior.

That is a long answer, and I apologize, Mr. Chairman.

Senator **Andrews**. Yes, but it gives us the insight.

The Intermountain School in Utah will close after the 1983–84 school year. Where does the Bureau intend to place those students?

Mr. **Smith**. Mr. Chairman, most of those students will be placed either at Phoenix which is an off-reservation boarding school, or at Sherman, which is another off-reservation boarding school. But, most of the students will be going to school in the Bureau system. We think some may go to school in the public school system. That is our current projection.

Senator **Andrews**. We have heard that there are plans to close the BIA school in Phoenix. Can you clarify the intention of any additional closures?

Mr. **Smith**. Yes. We do not think that is an immediate issue, Mr. Chairman. Of course you understand we are trying to balance our whole system. Currently we have excess capacity in our off-reservation boarding schools, and we are projecting right now that we will have a pretty good balance after we close Intermountain. I think it is going to take a few more years before we get the Hopi school built and the Papago school built. At that time we may have to take a look at Phoenix, but I do not see that happening in the next couple years.

Senator **Andrews**. Good.

You requested that your authority to fund off-reservation programs under the Indian Child Welfare Act be deleted in the fiscal 1985 appropriations. As the authorizing committee, we had determined these programs to be critical to the effectiveness of the act. Do you now have evidence that these off-reservation programs are not working?

Mr. **Smith**. I would like Mr. Krenzke, our Director of Indian Services, to respond to that.

Before Mr. Krenzke responds, Mr. Chairman, of course there are priorities in the budget, and I know there is a need out there, but——

Senator **Andrews**. I know there are priorities in the budget, but all I wanted to know is if you are finding that these off-reservation programs do now work. That is almost a simple yes or no answer.

Mr. **Smith**. OK. I will have Mr. Krenzke say yes or no.

Mr. **Krenzke**. The answer to your question is that the Indian child welfare, title II, grant programs are, for the most part, working very well on both reservations and in the urban areas.

Senator **Andrews**. Well, then, if you are going to shut them down, what other basis than not working do you have for your recommendations?

Mr. **Krenzke**. Mr. Chairman, the rationale behind the recommendations which has now been before the Congress, I think this is the third year, has essentially related to the fact that the Bureau of Indian Affairs is administratively structured to serve reservation Indians and that, given the severe budget constraints that the Assistant Secretary referred to and the administrative problems that we have in providing services to these urban areas, it is in the best interest of the limited amount of funds available to limit them to the reservation areas.

Senator **Andrews**. I keep remembering, somewhere or another, this administration—and other administrations, too, have said it in the past—that part of its hope is that it can help native Americans to move off the reservation, those who want to, and seek gainful employment away from the reservation.

Does this not fly in the face of this announced goal by the administration?

Ken ought to really answer that.

Mr. **Smith**. Mr. Chairman, I do not think that is our goal, within the administration. Our goal is to deal with the local governments on a government-to-government basis. I think the decision of people moving on or off the reservation is out of our hands.

Senator ANDREWS. Well, I know it is out of your hands because that is an individual judgment but you are saying that this administration does not want to do what it can to assist those Indians who want to move off the reservation.

Mr. SMITH. I think it should.

Senator ANDREWS. Or to encourage that? I know you think so. I am just wondering what the Great White Father who sends you these orders down is telling you to do, because you have cut out the programs that help the Indian people move off the reservation. You are saying that this is one of the things that you think is good. You cannot have it both ways.

Mr. SMITH. No, you cannot.

Senator ANDREWS. Folks back in North Dakota say you cannot speak out of both sides of the mouth at the same time. You do not do that, but maybe you have been told to do that by somebody else.

Mr. SMITH. As Mr. Krenzke indicated, we would rather concentrate resources with the local tribal governments in dealing with programs that are on the reservation, rather than off the reservations. It would be impossible for us to continue to administer the urban programs with the cutbacks that we have in our overhead.

Senator ANDREWS. I have one last question, and then I am sure Senator Melcher has a number of interesting questions because his interest in this subject, of course, is as great as mine.

Why is the Bureau requesting that the Department of Transportation allow up to $6 million for administrative expenses out of the highway fund rather than providing for such expense out of your own BIA budget? Does not that kind of a request serve as a diminishment in funding for tribes for the necessary roads under the Service Transportation Act?

Mr. O'BANNON. Mr. Chairman, the reason is that the budget reflects a request for transferring the management of that roads program directly into the highway trust fund. The moneys that were appropriated in prior years for that kind of management and supervision have been taken out of the BIA's budget for this year.

Yes, it would result in a decrease in the actual project moneys available for the program.

Senator ANDREWS. You have said essentially: "Senator, what you said is correct," but you have not given me the reason for it, except you want to get your hands on some more money to run your administrative empire, even though it comes out of highway construction.

Mr. O'BANNON. Essentially, yes.

Senator ANDREWS. You are being very honest today. I cannot find fault with that. You are straightforward.

Mr. O'BANNON. The actual rationale was that, since the major activities in project construction are now all totally within the highway trust fund road construction program, then the percentage that the Bureau would be spending for administration of that program should be taken out of the highway trust fund

Senator ANDREWS. I will bet if you turned it over to the tribes and told them, "You can have *x* million dollars to build roads around your reservation," they could hold the bids and all the rest, and there would not be a whale of a lot of administration. Do you agree with that, knowing some of these tribal leaders?

Mr. O'FANNON. Could be.

Senator ANDREWS. Let the record show that the far end of the table nodded in agreement.

Mr. SMITH. Well, if you look at contract support as another issue, the percentages are up there somewhat more than 6 percent to administer it. For a tribe to administer it, they may want 25 or 30 percent. So it is hard to say. It depends on what tribe.

Senator ANDREWS. Twenty-five to 30 percent? Generally, you have a contractor. You open bids. He has a bond, and you do it by law in most of these States. The tribe is pretty well protected.

I would bet the initiative of the tribes would get you some pretty good roads built for a minimal amount of money.

Senator Melcher.

Senator MELCHER. Ken, I am always impressed when I am out with Indian people at the emphasis that they place on education. Particularly that emphasis comes from the elders in the tribe. I think perhaps they realize that the hopes and the aspirations of their grandchildren will not be realized at all unless education is available to them in the broadest sense, and particularly regarding the quality of education.

I am apprehensive that while your figures do show slight increases, that they will not be adequate. Can you tell me what the grade and high school enrollments are? Are they greater or less than last year or, say, 5 years ago?

Ms. GARRETT. Senator, I think it is an interesting question that you ask. If we were to go back to 1980 and take a look at the total number of students in 1980, in our budget for that year, our certified numbers for that year totaled 43,597. Now if you take that number and come forward through 1984, adding the students in the new schools and taking away the students for the schools that transferred, in the case of Alaska, to that State or to the schools that closed, you would come up with a figure of 41,326.

Senator MELCHER. That is including Alaskans that were——

Ms. GARRETT. Yes, sir, transferred out.

Senator MELCHER. So that is deducting them, in other words?

Ms. GARRETT. Yes, sir.

The comparison that I would like to make is that if you take the figure that is reflected for estimated number of students in our 1984 budget, it is 43,174. So that says that our enrollment is going up, that even when you take the large number of schools that we have lost—and we have lost 29 schools since 1980 and added only 13—if you straight-lined that, you actually are seeing an increase of 2,000 students over a 4-year period at our schools.

I would reemphasize that we have lost 42 and added 13, for a net loss of 29. However, our enrollment in 1980, as I said a moment ago, was 43,597, and we expect 43,174, a difference of only 400 students having lost a net of 29 schools. Those figures speak for themselves in terms of the continuing increase in BIA schools certainly over the past 4 years.

Senator MELCHER. That leads me to think that the slight change in the two figures—fiscal year 1984 and 1985—that it will not be adequate to meet the rising costs of education.

Ms. GARRETT. I would point out a statement that is made in our budget, and that is that even though the line item for ISEP, 1985, 1984, is a reduction, the actual per-student amount available in 1985 is equal to or greater than, depending on the final amount appropriated for pay costs, than it has been in prior years.

I would indicate to you that in 1983 the per-student cost was $2,014. With the final adjustments that we expect to make in 1984, we expect that amount to be $2,035. So we are going from $2,014 to $2,035 per student in 1 year. We believe, Senator, that is an attractive increase and one that we can live with.

Senator MELCHER. I think we can agree that education could not have been satisfactory. We have never reached a satisfactory level yet.

That slight increase will hardly cover the increase in costs of the utilities, let alone any increase in the cost of anything else.

Ms. GARRETT. I would make two observations. No. 1, the cost of utilities would not be included in these figures. They are handled under the operation and maintenance program.

Senator MELCHER. How much has that increased?

Ms. GARRETT. I do not have the figures for O&M for the schools, Senator.

Senator MELCHER. Well, school operations includes O&M, does it not?

Ms. GARRETT. No, sir, it does not.

Senator MELCHER. Where do I find that item?

Ms. GARRETT. The operation and maintenance are included in a different part of the budget.

Senator MELCHER. Where do I find it?

Ms. GARRETT. In the back of the budget. It is not included under education, so I do not have that information available here. We have staff here who do have that information.

However, Senator, on page 205 in the budget, you will see the information for operations and maintenance.

Senator MELCHER. What is the increase?

Mr. O'BANNON. It maintains the same level. There is no increase.

Senator MELCHER. Well, you know, we are living in the real world where the winter is still winter, and you have to pay the utility bills. I cannot understand how that can be disregarded. Can you enlighten me?

We are living in the real world where winter is still winter and the utility costs have increased.

Mr. O'BANNON. I am advised that there has been no increase in the utility cost over the last year.

Senator MELCHER. That is not true. Let me advise you that that is not the case at all. What are they supposed to do?

I am talking about quality education. Obviously, you can shut down the school for a week because you do not have the wherewithal to pay, go 1 week out of 4 during the winter to meet the costs. You can do things such as that, but we are cutting the opportunities then.

Mr. O'BANNON. With respect to the utility general rates, there has been no increase. Where, because of the weather situation, there is an increase in the cost, the Bureau has addressed that vigorously through our emergency costs program. We are accruing those costs and, if they become too excessive for the Bureau to handle through absorption, then we would submit an emergency supplemental on that basis.

Senator **Melcher**. Well, let us plan for it, then, because, indeed, those utility costs have risen. It is foolish to disregard it. It is there, and you have to pay them, and none of us can escape that.

Senator Andrews spoke of the "Great White Father." Is that still the President? I am not sure. I think it used to be.

Senator **Andrews**. The "Great White Father" in the "Great White House."

Senator **Melcher**. Oh, yes. Well, there is truly a "Little White Father"—Stockman—who seems to get in the way at times.

Ms. **Garrett**. I wonder if I might add one point when you are talking about cost of educating the children in BIA schools. As you know, we are about ready to issue in final the standards which have been developed under which our schools will operate in future times. Once those standards have been published, then we will begin working on a school-by-school basis to determine what it is that it costs to run that school. We would hope for the first time to build our budget from the bottom up; that is, we will actually look at each school to determine what it costs us for the teachers, for the planning, for the library, and so forth, in each of those schools. We would hope in our fiscal year 1986 budget to more accurately reflect what it does cost in each of our schools to educate those children. The standards will be the document that will drive——

Senator **Melcher**. I am delighted to hear that. I guess I am naive, but I assumed that was what was done in every instance for the past years.

Ms. **Garrett**. No, sir, that is not true.

Senator **Melcher**. Well, congratulations, then, because that is so basic.

I just opened up an envelope this morning in my office that brought home to me how much more books cost. For some reason, I still get advertisements of new books in veterinary medicine. The volume did not look all that auspicious to me. After reading the advertisement, I found out for a new book on skin diseases for horses it is $65. We do not expect volumes for elementary classrooms to cost anywhere near that, but then the fact is that, even taking the very simple, rudimentary costs, the costs continue to climb for education. We cannot avoid that.

Sometimes we think, well, if we can just pay the teachers, if we can keep up on that, we are meeting the cost increases, but that is not true because everything costs more.

Senator **Andrews**. Have you paid any veterinarians lately?

Senator **Melcher**. Surely. That is why they can pay $65 to get the new book on skin diseases of horses.

I am wandering from the subject a little bit.

Mr. **Smith**. Senator.

Senator **Melcher**. Yes?

Mr. **Smith**. May I add something to that?

This year I asked a point-blank question to the staff who deal with the operation and maintenance of facilities. You cannot look at the total figure because it may mean that we have dropped certain space from that figure and maybe even added some space.

There might be a negative and there might be some increases in square footage.

They have guaranteed to me that we have adequate funds in O&M to take care of all of our facilities in Indian country.

I might add that the Secretary, William Clark, is very interested in Indian education, and he is going to be breathing down my back, I am sure, and I will be breathing down Education's back to make sure we are doing a good, proper job out there.

Senator MELCHER. Well, I applaud the overall increase in your budget. I am not ignoring that. In a budget that has been very tight [illegible] so many matters and showing some reductions in a vast number of areas, this is refreshing to see. We do not have to argue the basic point here on the increased costs that are involved and have to be met.

However, I point out that I do not think this is adequate for elementary and secondary.

The budget estimate for fiscal year 1985, is that for the school year that starts in September 1985?

Ms. GARRETT. Actually, our schools begin usually in about the middle of August. So it would be for the period the middle of August through——

Senator MELCHER. That is for the 1985–86 school year?

Ms. GARRETT. Actually, sir, for education, the school year 1984–85, which will begin this coming August, would be covered by the fiscal year 1985 budget, which is what we are in now.

Senator MELCHER. All right.

Ms. GARRETT. It would be for the school year 1984–85.

Senator MELCHER. For the school year 1984–85?

Ms. GARRETT. That's correct, sir.

Senator MELCHER. When will your figures that you mentioned be available, school by school, starting from the ground up?

Ms. GARRETT. We expect the standards to be published momentarily. Assuming that they are published—and the reason that I hesitate on the date is that they have to be approved by OMB before they can be published in final, and I simply do not know the timeframe for completing that review—but assuming that they are published soon, we would expect to reflect the impact of those standards in the fiscal year 1986 budget.

Senator MELCHER. Will they be available for the current school year?

Ms. GARRETT. No, sir, they will not.

Senator MELCHER. Turning to the tribal community colleges, earlier you stated a figure somewhat lower than what we had thought was the appropriation. We have the belief that the appropriation was actually for $2,812 per FTE.

Ms. GARRETT. That was the congressionally mandated level for us in fiscal year 1983, but there was no language to suggest that that same level had to be maintained again in 1984 or 1985.

Senator MELCHER. I think the Senate report was clear on it.

Ms. GARRETT. It was our interpretation, Senator, that $2,812 was a requirement only through 1983. Staff did go back and research that language and felt that that $2,812, as I said, was applicable only through 1983 and it did not apply again in 1984 and 1985.

Senator **MELCHER**. Well, you know, that just is not realistic. We are attempting to be realistic in these reports. We thought it was clear. There is no way of saying, well, we do not need as much per student in 1984 or 1985 as we had in 1983.

Ms. **GARRETT**. Senator, I would go back and reference my remark a litttle while ago. When we looked at the appropriation by the Congress for fiscal year 1984, if we divided the total number of FTE's that were reflected in the President's budget into the total dollars that were appropriated by the Congress for the program, in 1984, the amount was not $2,812 or any figure greater than that. Indeed, it was $2,390, which is the same amount reflected per FTE for the 1985 budget. Even if there were some question on whether the Congress intended the $2,812 to carry forward into 1984, the 1984 appropriation itself does not seem to reflect that Congress intended for that level to be $2,812.

Senator **MELCHER**. I do not know how I can state it any clearer. On page 45 of that Senate report it says to maintain the same levels as it was in 1983. That does not say knock it down $400 per student.

Ms. **GARRETT**. The Congress did not appropriate enough funds in 1984 for us to even have done that. We could not have provided $2,812 within the funds appropriated by the Congress——

Senator **MELCHER**. We may have been using your figures. Were we?

Ms. **GARRETT**. I do not believe so, Senator.

Senator **MELCHER**. What were your figures? Were they less? Were the figures that you provided the committee less than there were actually students?

Ms. **GARRETT**. It is the other way around, Senator. The figure that was in the President's 1984 budget, the estimated number of students for the title I colleges, was 2,695 students. That number is considerably greater than the number of students that——

Senator **MELCHER**. Are you unaware that the language was specific on page 45 of the Senate appropriations report, and, further, that the Appropriations Committee said if that was not adequate to maintain the level, to ask for a supplemental?

Ms. **GARRETT**. I do not recall seeing that language in the conference report, Senator.

Senator **MELCHER**. Well, how about in the Senate report?

Ms. **GARRETT**. I would have to go back and check that.

Senator **MELCHER**. Well, we are here every day that we are in session, and oftener really, both Senator Andrews and I and other members of this committee. We are around here a lot of times when we are even in session. We are no further than your telephone.

I think you are disregarding the clear intent of this committee and also the clear intent of the Appropriations Committee.

He sits on that Appropriations Committee, and so does Senator Hatfield, a former member of this committee.

Ms. **GARRETT**. Yes, sir.

Senator **MELCHER**. I know I am a little bit put out, and I hope they are.

These are not vast amounts of money. What would it cost, roughly?

Ms. **Garrett**. If we were to go to the $2,812, we would probably to talking $800,000, a million dollars perhaps, additional funds for those to fund at that $2,812 level.

Senator **Melcher**. This is our country. First of all, it is Indian country. This administration does not have any reluctance to throw out a chunk for El Salvador, where we are throwing a big chunk and a request.

I think that you really have neglected your responsibility by not having that including in a supplemental. Maybe we can correct it for you. I hope we can.

Thank you, Nancy.

Now I want to find out why on irrigation there is only a little bit of money in there for the Papago. I do not begrudge their getting some irrigation money, but what about Fort Belknap? Since 1975 they have had the BIA report that said that they ought to update that irrigation project so it could get somewhere near an efficient level. Can somebody tell me when we are going to do that?

Mr. **Smith**. Mr. Mills will respond on the details.

Just a minute, Senator.

Senator **Melcher**. Are you working that——

Mr. **Smith**. I do not know specifically about that project.

Mr. **Mills**. Senator, on that particular project, I do not have any information. However, if I might just mention, we do go by priority. We have a system, a criteria, to get to that priority. We have six projects now that are pending, and I do not know where Fort Belknap will stand right now.

Senator **Melcher**. Since 1975, if it was not on the top, it should have floated to the top by now. Would you review that for me, please?

Mr. **Mills**. We will, Senator.

[Subsequent to the hearing the following information was received for the record:]

Fort Belknap Irrigation Project

The Milk River Irrigation Project on the Fort Belknap Indian Reservation needs major rehabilitation and extension. The completion report presented the work features and estimated costs to rehabilitate and complete the project. Since 1980, fiscal constraints and other pressing needs prevented BIA from requesting construction or rehabilitation funds for Fort Belknap or any other similar existing project. Funding of $310,000 was provided in FY 1983 under the irrigation "jobs bill" to replace or rehabilitate the most serious project features. The failing main diversion dam was replaced in FY 1982 by reprogramming $1.4 million from other locations.

The project is marginal, economically, but is critical to the local economy. Its rehabilitation and completion has a high priority on our irrigation project listing, but funding constraints have limited our budget requests to implementation of Congressionally ratified Indian water claim settlements. In future years we expect to request funding for the needed irrigation improvements at Fort Belknap.

Senator **Andrews**. John, you raised a good point. One of the questions I had for the record, is this: As we see it, there are no dollars in this budget for the Standing Rock irrigation, phase II. They have already started. They have their computer stuff up. They have the wells in. They have the pumping plants, all of that. It is not dollarwise to stop now when you have the first phase in operation. You have to put in grain dryer and corn dryer facilities, and all the rest. My farmer instincts tell me that you are doing this thing backward.

Do you have a reason for cutting them off now, midway down the path? Do you know about Standing Rock?

Mr. MILLS. Yes, we do, Mr. Chairman.

Senator ANDREWS. I am delighted that you know more about that than you did on this.

Mr. MILLS. Standing Rock is No. 2 on the list.

Senator MELCHER. The thing is you have to come up with the right answer now.

What kind of discrimination is this?

Senator ANDREWS. Well, wait for another year; you will be able to discriminate the other way. They will know about Montana projects and not about North Dakota.

What is the cost effectiveness of cutting this project off before you get into the second phase?

Mr. MILLS. The second phase, of course, is $1.8 million to complete the Standing Rock project. At the present time, given the budget constraints, et cetera, we would pick this up as soon as dollars are available.

Senator ANDREWS. The only thing is, you add to the cost of operation with the acres they now have. They cannot spread the dryer and the computer and the other things over more acres. Therefore, you are saddling the tribe out there with a higher cost per acre of what they are doing, rather than the complete project.

Have you anticipated, or do you have figures that you could provide the committee as to what that increase in dollar cost per acre will be because you do not finish the second phase?

Mr. MILLS. Yes, sir.

Senator ANDREWS. Would you provide those for the record?

Mr. MILLS. We certainly will.

Senator ANDREWS. Good. I appreciate that.

[Subsequent to the hearing the following information was received for the record:]

STANDING ROCK IRRIGATION PROJECT

The first phase of the Standing Rock Sioux Tribe's irrigation project, the Fort Yates Unit, was constructed with funding of $1,960,000 provided in Fiscal Years 1982 and 1983. It became operational last irrigation season. The Tribe is justly proud of the project and the first year's results.

The Tribe had an Irrigation Development Plan prepared by a consulting firm which evaluated alternative locations to be served by pumping from the Grand River finger of Lake Oahe. A unit of 1,464 acres known as the Banik Unit has been selected as Phase II for development. The total construction cost of the unit, including on-farm systems, is estimated to be $1.8 million.

At the time Phase I was put into crop production, the tribe acquired certain machinery and equipment that can be utilized on additional irrigation units when they are developed. Each item has a differing capacity, scope and life, so the farm manager has not calculated those costs on a per acre basis. In general, the larger operation would be more efficient and the Standing Rock Sioux Tribe can effectively operate and manage additional irrigated cropland.

Senator MELCHER. To whom do we pose a question on economic development?

Mr. SMITH. Either to me or Mr. Krenzke.

Senator MELCHER. There has been, of course, for some tribes, an increase in funds that they generate themselves through their own resources. But there are—sometimes like the Rocky Boy Reservation with an enrollment of 3,200 and a reservation resident population of 2,100 which has been discouraged from applying for economic development. It seems like, without any resources to speak of on the reservations themselves, they seem to have the greatest need; yet, they fall between the cracks.

What can we expect for the Rocky Boy?

Mr. SMITH. Well, Senator, I am not specifically familiar with Rocky Boy itself. We have, of course, as you know, a variety of programs. We have our economic initiative, which, as we discussed before, is now proposed for a funding level of $10 million which provides seed money to go to a bank or a financial institution and 25 percent gives them the equity. That is one program that we have.

We have a direct loan program that we have had for years, and also we have a loan guarantee and interest subsidy program that could help them.

However, again, Senator, I do not know the specific project or why they were discouraged not to put in for one of these. I really do not know, but I could find out.

Senator MELCHER. I will explain it as I know it. Most of these applications to share or participate in these programs require a great amount of expertise in making application so it can stand up. Now this is a small tribe with very limited resources of their own. Therefore, they just sort of fall out. They do not have the expertise to develop it themselves. Indeed, they have been contracting a lease compliance position pursuant to Public Law 93-638. The area office has just told them they will lose funding for the position if they insist on contracting the program again in 1985. However, if they turn the contract back over to the BIA, then the area office would continue to fund the lease compliance position on the Rocky Boy Reservation.

It seems to me that is in direct conflict with Public Law 93-638, but it does point out that the Rocky Boy Tribe is at a disadvantage. Without much resources of their own and without much capability of generating the necessary expertise to apply, they just sort of are left in the wake of all this opportunity. Yet, they need it very badly.

I wonder if we could have some special attention to their problems?

Mr. SMITH. Yes, Senator, we will check into that.

Senator MELCHER. Thank you very much.

Senator ANDREWS. Thank you, John.

Thank you, Ken, and your group.

[The prepared statement and additional questions follow. Testimony resumes on p. 41.]

Prepared
Statement of Kenneth L. Smith
Assistant Secretary of the Interior for Indian Affairs
Before the Senate Select Committee on Indian Affairs
on the FY 1985 Budget Request

February 21, 1984

Mr. Chairman and Members of the Committee:

I am pleased to appear before you today to discuss the FY 1985 budget for the Bureau of Indian Affairs programs.

The 1985 appropriation request of $928.7 million represents an increase of approximately $21 million over funding for the operation of Indian programs that we have for 1984. Funding for the operation of Indian programs for 1985 is $855.4 million; in 1984 the appropriations total $823.9 million. A comparison of our FY 1985 request with our 1984 appropriations is provided as Attachment 1.

The 1985 budget shows a reduction in construction funding, but it does not reflect the $100 million in contract authority the Bureau again will be receiving from the Highway Trust Fund for the construction of roads on reservations under the Highway Improvement Act of 1982.

For the Operation of Indian Programs, the budget calls for $273.5 million for Indian education; $212.6 million for Indian services; $67.1 million for economic development and employment programs; $96.9 million for natural resources development; $47.7 million for trust responsibilities; $90.2 million for facilities management and $67.4 million for general administration.

We intend to use funds efficiently to meet program needs on the reservations, to continue implementing the President's Indian policy statement, and to achieve the management objectives we have set for the Bureau of Indian Affairs for FY 1985.

While the entire Federal Government is under severe budget constraints, it has been with the strong support of the Administration and the Secretary of the Interior that we have been able to hold our own in Indian Affairs.

President's Indian Policy

This Administration continues to promote Indian self-determination by strengthening tribal governments and decreasing unnecessary Federal intrusion in reservation affairs. We also are seeking ways to build economic self-sufficiency for the 755,000 American Indians and Alaska Natives.

The key to the new approach is the President's American Indian Policy Statement issued in January 1983. That policy reaffirms the government-to-government relationship; reinforces the concept of Indian self-government and self-determination; supports economic development by attracting private capital; and establishes a Presidential Commission to seek ways to improve the economies on Indian reservations. The Commission has begun its work and will submit its report by November 30, 1984.

Recent Policy and Program Initiatives

The major thrust for the past three years has been one of creating strong, stable tribal governments which will lead to the development of both human and natural resources. The FY 1985 budget continues to support key policy thrusts.

- The economic development and employment program budget targets support for growth in the private sector of reservation economies with major emphasis on stimulating investment of private capital in this process.
- The Indian services budget is directed toward enhancement of tribal governmental capabilities to deal independently and successfully with both social and economic growth on reservations. This budget proposes to meet actual and critical needs in human services.
- The natural resources development budget concentrates on activities which will provide income and support economic growth on reservations. Activities in the areas of forestry management and development, minerals exploration and production, improving range and farm lands, and improving agriculture methods to increase yield and quality of production remain a high priority.
- Strengthening of the trust responsibility role continues as a critical objective of the Bureau. This objective is strongly supported at the local level where the tribes and Bureau agencies have increased budgets in both real estate services and the financial trust activities.
- The education budget will continue to meet basic and special educational needs of Indian students attending Bureau and contract schools and will provide residential care and guidance programs at the same level as in FY 1984.
- The construction programs of the Bureau continue to emphasize constructing and improving existing facilities in support of the education program; continues funding for the Papago Irrigation Project and a dam safety program; and provides for the renovation of Indian homes.
- Indian road construction program will be funded by a $100 million allocation and contract authority from the Highway Trust Fund of the Federal Lands Highway Program, Department of Transportation.

In other recent initiatives which may be of interest to the Committee, the Bureau:

- Initiated a program to help small tribes (less than 1,500 population) gain basic managerial capabilities. One hundred seventy-five tribes and Alaska village communities received grants to enable them to improve administration and accounting skills.

- Intensified and expanded consultation with tribal leaders on policy and program matters, including regional meetings with tribal leaders and regular meetings with national Indian organizations.

- Provided $5.0 million in FY 1983 in "seed money" to 21 tribal ventures which attracted another $20 million of their funding from non-federal sources. Enterprises approved included: a restaurant, grocery store, a sand and gravel business, a manufacturing business, and electronics plant, operation of a marina, a tug and barge operation, real estate development, and agricultural programs.

- Created 7,800 jobs on Indian reservations through $114.5 million appropriated under the 1983 Emergency Jobs Act, and allocated: $30 million for rehabilitation of 36 reservation irrigation projects; $12.5 million for erosion control, weed and brush removal, range and agricultural conservation; $10 million for improving reservation jails; $30 million for reservation housing, including construction of 300 homes and rehabilitation of 1,600 homes; $4 million to reforest 19,000 acres and then 25,000 acres of reservation timber lands; $1 million for forest road maintenance; $2.5 million for stream clearance and fish hatchery development; and $24.5 million for construction of a high school on the Hopi Reservation.

- Determined, in an Interior Solicitor's opinion, that the Bureau of Indian Affairs would not lose its authority to return several million dollars in annual administrative fees to the tribes from Indian timber sales.

- Initiated a feasibility study to assess the value of a forest products marketing cooperative, at the request of the tribes in the Northwest.

- Initiated a five-year program to increase the productivity of 900,000 acres partitioned to the Navajo Tribe under provisions of the Navajo-Hopi Land Settlement Act.

- Increased income to Indian tribes from mineral leases to an all-time high of $396.3 million in 1982. This was 58.2% higher than the previous year's revenues. Of this income, $368.2 million came from oil and gas leases.

- Provided college assistance grants to more than 15,000 Indian students in 1983, including about 400 in post graduate programs. Some of these students attend Sinte Gleska, one of 18 tribally-controlled Indian community colleges. Sinte Gleska became the first Indian college in the country to receive accreditation on the four-year baccalaureate level. A few months later, the Oglala Tribal Community College, located on the Pine Ridge Reservation in South Dakota, also received accreditation.

- Published proposed education standards and criteria for Bureau of Indian Affairs schools and dormitories in 1983.

- Won Administration support for legislation to return 25,000 acres of National Forest Land to the Cochiti Indian Tribe of New Mexico. The land had been wrongfully taken from the Cochitis more than 100 years ago.

- Concluded an Agreement-in-Principle for water claims of the Ak-Chin Indian community in Arizona. In September 1983, the Tribal Council and the Secretary of the Interior signed the agreement providing for delivery of permanent water supply to the Tribe by 1988. The agreement will also provide for additional economic benefits to the Tribe and reduces overall costs borne by the Federal Government.

- Executed contracts with the Papago Tribe of Arizona, the State of Arizona, the City of Tucson and other local entities to implement the Papago water settlement reached in 1982. Provided $15 million directly to the tribe for a trust fund and made a $5.3 million Federal contribution to the Papago Cooperative Fund.

- Entered an agreement with the North Slope Borough in Alaska which provides for the transfer of the Barrow Gas fields and facilities to the Borough. The agreement ensures local control over resource use and development and reduces costs to the Federal Government.

1985 Program Objectives and Activities

The Bureau's 1985 budget request reflects an emphasis on four major areas of responsibility. They are:

1) To recognize and preserve the rights of tribal self-government and to strengthen tribal capacity to govern;

2) To fulfill the federal government's trust responsibility to American Indian tribes;

3) To promote reservation economic development and economic self-sufficiency; and

4) To strengthen BIA's ability to serve Indian people by improving management.

Indian Education

In FY 1985, $273.5 million is requested for Indian education under the Operation of Indian Programs appropriation, an increase of $17.7 million over FY 1984. This consists of $180.7 million for school operations; $26.2 million for Johnson O'Malley programs for students in public schools; and $53.2 million in continuing education, including scholarship grants ($29.5), adult education ($3.5), tribally controlled community colleges ($11.1), and post-secondary schools ($9.1).

The Bureau of Indian Affairs provides funds for a Federally supported school system presently comprised of 191 schools and 15 dormitories for Indian students. The decrease in number of students served (from 43,194 in 1984 to 42,982 in 1985) is due to the proposed transfer of 10 Bureau day schools to the State of Alaska and the closure of Intermountain Boarding School. The Alaska day school transfers are being implemented with the State and are consistent with the State's constitution to establish a single school system in Alaska. The majority of the schools in the Bureau's system are operated by the Bureau; however, 62 schools are controlled, operated and managed by Indian groups under contractual arrangements with the Bureau.

Indian Services

A proposed FY 1985 budget of $105.8 million in social services programs includes $7.7 million for Indian Child Welfare Act requirements and $80.4 million for welfare grants, including both general assistance and payments for the care of dependent, neglected, handicapped or delinquent children.

Tribal governments will also benefit in FY 1985 from funding for government functions such as law enforcement, courts and general government operations. The budget includes $36.4 million for law enforcement and $26.1 million for tribal government services including tribal courts.

The self-determination services budget includes $18.4 million for grants to tribal governments and training and technical assistance, and $5.0 million for grants to small tribes to acquire and maintain needed core-management capability. In FY 1985, contract support for P.L. 93-638 contracts in existence prior to FY 1984 will be provided as part of direct program funding and has been financed by a transfer to the program accounts.

Economic Development and Employment Programs

The FY 1985 request of $67.1 million for economic development and employment programs, an increase of $8.1 million above the FY 1984 appropriation. The program includes a renewed request for $10 million for a continuing economic development initiative which provides grants to Indian tribes for the purposes of 1) initiating business development of natural resources; 2) encouraging private sector investment; and 3) promoting sound business principles. We expect this $10 million to generate total funding of $40 million for economic development projects.

Credit and financing technical staff resources which operate the Bureau's various loan programs are funded at $5.0 million. Direct loans from the revolving loan fund are projected at $16.1 million for FY 1985. These loans will be financed from available fund balances. Guaranteed and insured loans amounting to $92.9 million will continue to be administered in FY 1985.

The request also includes $25.8 million for direct employment and adult vocational training; and $22.3 million for road maintenance.

Natural Resources Development

The request of $96.9 million for natural resources development in FY 1985 ($4.2 million above FY 1984) supports programs in energy and minerals, forestry, agriculture, range, irrigation and power project operation and maintenance, water resources, wildlife, parks and fisheries management, and other multi-disciplinary natural resource efforts.

Trust Responsibilities

Strengthening of the trust responsibility role continues to be a prime goal of the Bureau. The FY 1985 request of $47.7 million ($2.4 million above the FY 1984 appropriation) is for programs to carry out the Federal trust responsibilities including real estate and financial trust services, rights protection, environmental quality services, and financial management for funds held in trust.

Facilities Management

In FY 1985, $90.2 million is requested for facilities management. The program includes rental cost for facilities, operation and maintenance of all facilities (including those used for Indian contracted programs), and facilities operation and maintenance staff at all levels of the Bureau. The budget focuses on planned maintenance activity which targets safety requirements, energy savings, and effective space utilization.

General Administration

In FY 1985, $67.4 million is requested for general administration which includes executive direction, EEO, and administrative services for all levels of the Bureau; ADP services; safety management; reimbursements to the Department of Labor for employee compensation and unemployment compensation payments to former Bureau employees; and program management at the central office level for construction, road construction and education programs.

A special effort is planned to improve accounting and trust fund management, compliance with the Prompt Payment Act, debt collection, cash management and fund control.

Construction (Building & Utilities)

The FY 1985 budget request for construction of buildings and utilities is $40.5 million, which includes $4.5 million for construction of the Western Cheyenne River Consolidated School, South Dakota.

The program also includes $36 million for facilities improvement and repairs. Funding requested will be used to correct unsafe conditions, to improve waste disposal facilities, initiate high priority energy conservation projects, to correct functional deficiencies in existing Bureau facilities, and for preparation of plans, engineering supervision and surveys.

Irrigation Construction

The proposed FY 1985 irrigation construction program will provide a total of $11.9 million. This amount includes $4.3 million for the Papago Project in Arizona, and $1.2 million for continuation of a major effort for assuring dam safety which was initiated in FY 1982. The request also includes $1.7 million for supervision and engineering for Indian irrigation construction and rehabilitation work and $1 million for surveys and design for repairs and rehabilitation of existing irrigation projects.

Housing

The housing request of $20.8 million will continue renovation of existing homes, construction of new houses for those clients who do not qualify for other Federal housing or private financing for home construction, and general management of the program Bureauwide.

Road Construction

In FY 1985, the entire road construction efforts of the Bureau will be met with funds provided through contract authority allocated from the Highway Trust Fund as part of the Federal Lands Highway Program of the Department of Transportation, including supervision and technical services at area and agency offices. A total of $100 million in contract authority will be available in FY 1985.

Conclusion

The FY 1985 budget helps to meet the Bureau's basic objectives outlined above and to implement the President's Indian Policy. It will increase funds available for assisting small tribes in developing a core management capability and will provide $10 million -- twice the 1984 amount -- for the economic development initiative to provide seed money for the tribes.

We will continue to encourage tribes to assume greater responsibility for their own reservation programs such as enforcement of tribal laws, developing and managing resources, providing social services and other programs. Contracting by tribes to operate these programs totalled $241 million in FY 1983, and should increase to $245 million in FY 1984 and $250 million in FY 1985.

Mr. Chairman, this concludes my prepared remarks. My staff and I will be pleased to answer any questions you may have.

Thank you

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BUREAU OF INDIAN AFFAIRS
FY 1985 BUDGET REQUEST (IN THOUSAND DOLLARS)

	FY 1984 Approp. to date	FY 1985 Budget Estimate	(+)(-) Changes
School Operations	176,933	180,683	+3,750
Johnson O'Malley Education Assistance	26,000	26,185	+185
Continuing Education	52,821	53,243	+422
Education Contract Support	—	13,340	+13,340
EDUCATION	255,754	273,451	+17,697
Tribal Government Services	23,694	26,115	+2,421
Social Services	99,609	105,752	+6,143
Law Enforcement	34,944	36,409	+1,465
Self-Determination Services	58,779	25,255	-33,524
Navajo-Hopi Settlement Program	3,951	3,830	-121
Indian Services Contract Support	—	15,240	+15,420
INDIAN SERVICES	220,977	212,601	-8,376
Employment Development	26,341	25,787	-554
Business Enterprise Development	10,521	16,220	+5,699
Road Maintenance	22,081	22,337	+256
Econ. Develop./Employ. Contract Support	—	2,730	+2,730
ECONOMIC DEVELOPMENT AND EMPLOYMENT PROGRAMS	58,943	67,074	+8,131
Forestry and Agriculture	76,282	76,552	+270
Minerals, Mining, Irrigation and Power	16,406	15,819	-587
Natural Res. Dev. Contract Support	—	4,551	+4,551
NATURAL RESOURCES DEVELOPMENT	92,688	96,922	+4,234
Indian Rights Protection	17,823	17,951	+128
Real Estate and Financial Trust Services	27,531	28,979	+1,448
Trust Responsibilities Contract Support	—	813	+813
TRUST RESPONSIBILITIES	45,354	47,743	+2,389
FACILITIES MANAGEMENT	91,113	90,196	-917
Management and Administration	46,274	54,568	+8,294
Employee Compensation Payments	6,829	6,998	+169
Program Management	5,970	5,819	-151
GENERAL ADMINISTRATION	59,073	67,385	+8,312
OPERATION OF INDIAN PROGRAMS (Total)	823,902	855,372	+31,470
Irrigation Systems	5,700	11,981	+6,281
Building and Utilities	50,220	40,540	-9,680
Housing	23,000	20,803	-2,197
CONSTRUCTION	78,920	73,324	-5,596
ROAD CONSTRUCTION (Total)	4,000	-0-	-4,000
EASTERN INDIAN LAND CLAIMS (Total)	900	-0-	-900
TOTAL, FEDERAL APPROPRIATIONS	907,722	928,696	+20,974

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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Honorable Mark Andrews
Chairman, Select Committee
on Indian Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed for the record are answers to questions that were requested by your letter of March 13, 1984, to the Bureau of Indian Affairs. These questions and answers are in regard to the February 21, 1984, hearing before the Select Committee on the FY 1985 budget justifications.

With the permission of your staff, copies of the questions and answers have been provided to the Senate Committee on Appropriations.

Sincerely,

Ken Smith

Assistant Secretary - Indian Affairs

Enclosures

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Questions Submitted by Senator Mark Andrews

ADP Program Expenditures

Question: Are you considering seeking a supplemental appropriation rather than reprogramming and, if so, when do you intend to make that decision?

Answer: The Bureau has prepared a draft reprogramming/supplemental package which was recently provided [illegible] the Committees. Financing alternatives are currently under review and a decision is expected by early May.

Education Attendance Boundaries and Standards

Question: Has there been consultation with the tribes concerning this boundary issue?

Answer: To facilitate the development and establishment of attendance boundaries, each area/agency was required to develop a plan for the schools under its jurisdiction outlining: (1) the consultation/hearing process with parents, school boards, and affected tribes; (2) coordination of all activities with contiguous agencies/areas; (3) consult with affected parties to identify problems; and (4) submission of recommended options and alternate attendance boundaries relative to other schools located in the proposed attendance area.

Question: When will the Bureau publish the Academic and Dormitory Standards for BIA Schools? When does the Bureau plan to cost out and make the necessary changes in the Indian School Equalization Formula?

Answer: Currently, the academic standards and dormitory criteria are under review by the Office of the Secretary, prior to submission to OMB. It is anticipated that the rulemaking document will be published within the next ninety days. Preliminary plans have been formulated that begin to address the actual cost of the academic standards and dormitory criteria. Further plans are being developed which would begin the immediate revision of the current funding formula when the standards are finalized. This plan includes the review of existing school finance systems which address the cost of basic education and piloting a system that best fits the data requirements for school operation. The system selected will be one that reports the actual cost of education based on standards.

Tribally Controlled Community Colleges (TCCC)

Question: How was the decrease of $348,000 in Title I Grants calculated?

Answer: In developing the FY 1985 budget for Title I grants to the TCCC's the Bureau used the dollar per FTE value resulting from the FY 1984 appropriated amount divided by the number of FTE's estimated in the FY 1984 Budget justifications. The FY 1985 requested level was, therefore, consistent with the level intended by the Congress as appropriated in FY 1984. However, the number of FTE now estimated for both FY 1984 and FY 1985 is less than that estimated in the FY 1984 budget justifications. The current FTE estimate of 2,549 when multiplied by the present per FTE funding level of $2,390 equals a funding requirement of $6,092,110, a reduction of $347,890 from the FY 1984 amount of $6,440,000.

Question: If there is in fact a projected increase in FTE by 49 students, why would there be a decrease in the budget item?

Answer: There is a decrease because the per FTE funding amount used to calculate the budget estimate for Fiscal Year 1985 is $2,390. (See explanation under previous question).

Question: Was $2,812 the figure correctly cited to Congress for the level of support in FY '83?

Answer: No, the prorata factor was $2,475. The $2,812 amount was for FY 1982.

Question: Was the amount appropriated sufficient to maintain that same level of support in FY '84? If not, will you be requesting a supplemental for FY '84?

Answer: The amount appropriated was sufficient. We do not anticipate a request for a supplemental in Fiscal Year 1984.

New School Construction Needs

Question: The committee notes that the Bureau is proposing to reduce funding for new school construction by $5,680,000 and that only one school is scheduled to be constructed with new funds in FY '85 is the Western Cheyenne River consolidated school. What is the total amount of unmet New Construction needs?

Answer: The total new school construction needs would be in excess of $49 million for committed projects and projects on the FY 1985 priority list. The FY 1985 school construction priorities list contains the following schools (where available, the estimated project cost is shown):

Rocky Boy High School, MT	$[illegible].3 million
Coeur d' Alene Elementary School, ID	2.2 million
Paschal Sherman Boarding School, WA	9.1 million
Tucker Day School, MS	2.5 million
Crow Creek High School, SD	11.9 million
Standing Pine Day School, MS	2.1 million
Lac Courte Oreilles Ojibwa School, WI	(not determined)

In addition, committed projects from the FY 1984 list which have not received appropriations for construction are:

Western Cheyenne River School, SD	$4.5 million (FY '85 request)
Papago High School, AZ	9.0 million
Two Eagle River High School, MT	3.4 million

Question: Is it your expectation that Congress will be the one to again increase the appropriation for this program to meet the trust responsibility of the United States to provide decent educational Facilities for Indian School Children? Why do you not tell us exactly what the needs are and propose a program -- perhaps five, ten, or fifteen year plan -- that will give some certainty and continuity to the education facilities construction program?

Answer: The school construction priority ranking procedure allows tribes and school boards to submit requests for new schools when the need is determined.

This is why a new list is published each year. The Bureau and the Congress utilize this list in determining new school construction yearly.

Question: Under what conditions is a school, once it has made the priority list for improvement and repair, removed?

Answer: Each year during the budget development process, a tentative list of facility improvement and repair projects is prepared. The projects are placed on the list based upon their relative priority at that time. When the operating year actually arrives, the priority list is reviewed again based upon the latest information about the need for each project on the list as well as other projects which may need consideration because of priority needs which developed since the initial list was prepared. For a specific project to be removed from the list to be accomplished in any one fiscal year, either the need for the project no longer exists or other higher priority projects have absorbed the available funds prior to reaching the project on the list. Other reasons for delay of a specific project include:

1. Programmatic change(s) which require major alterations or additions to project working drawings and specifications.

2. If the project working drawings or specifications are not completed in time to allow award in the current fiscal year or during construction season.

3. If the construction market is not favorable in the area of a project.

4. Procurement difficulties on a project such as, no responsive bids received, protest of contract award, SBA 8(a) delays, etc.

Education Contract Support

Question: Your FY'85 Budget proposes $13.34 million for education contract support. On which Fiscal Year is this amount based?

Answer: The $13.34 million for CSF included in the budget justification has been primarily developed based on the Bureau's FY 1983 actual experience.

Question: Each year the Bureau has experienced shortfalls in Contract Support and has consequently made prorated payments. Will $13.34 million meet the need or is it based on an earlier prorated amount?

Answer: Since the requested amount is based upon the Bureau's FY 1983 experience, it may be necessary to address a modest shortfall in FY 1984.

Graduate Scholarship Programs

Question: Upon reviewing the data provided in graduate programs, it seems that while significant improvements have been achieved in law and medicine graduates, little progress is evident in business and science related professions. Isn't such progress necessary for self-sufficiency and economic development? What plans, If any, does the BIA have in this area?

Answer: Yes. More students are pursuing fields in business and the trend toward science related professions is growing. We have encouraged students to enter these other areas at the undergraduate level and students are counseled to enter these other critial areas. We will see the increase at the graduate level in the next few years.

Question: Can you supply this committee with a list of the colleges and universities and tribes that you currently have contracts with, as well as funding amounts, and how you would propose to allocate funding in FY '85?

Answer: In Fiscal Year 1984 we have two contracts for graduate scholarships with the following organizations:

American Indian Scholarships, Inc. P.O. Box 1106 Taos, NM 87571	— $978,000
American Indian Law Center, Inc. P.O. Box 4456 Cornell Post Office Albuquerque, NM 87196	— $1,114,000

We propose to select the contractors of these graduate program on a competitive basis. A request for proposal will be issued to allow tribes and other interested and qualified Indian contractors to compete for these programs.

Water Rights Claims

Question: According to the plan that the Department developed in 1979 for water rights claims resolution, at the current rate of funding and progress, how far along in the process are we now and how far will we be in five (5) years?

Answer: The 10-year Plan for Review of Indian Water Claims, prepared in 1979, contained a scope of work summary with an estimated cost of $143 million to complete the plans covering all Indian claims. Funding for the five years to date has been as follows:

FY 1980 -	$ 2.00 million
FY 1981 -	4.05 million
FY 1982 -	4.95 million
FY 1983 -	5.45 million
FY 1984 -	5.45 million
Total -	$21.90 million

The total appropriation of $21.90 million for the first five years represents about 15% of the 1979 estimated cost and corresponding amount of the work to be performed. If the current funding level ($5,450,000 annually) is continued over the next five years, a total of $49.15 million or a little over one-third will have been provided over the 10-year period. The work accomplishment percentage will be somewhat less than 1/3 due to cost increases.

Trust Responsibilities - 2415 Claims

Question: Please provide an update of progress on claims in this area.

Answer: The "Statute of Limitations Program" is one part of a dual activity designed to protect Indian rights associated primarily with natural resources. While the Statute of Limitations Program addresses only the recovery of damages, its counterpart, the Unresolved Indian Rights Program seeks recovery of the natural resource itself. Information generated by this joint activity is used primarily to seek and obtain negotiated settlements or other administrative remedy. Failing these, it can be used to support the initiation of litigation and legislative resolution. The issues addressed include, but are not limited to, those involving title to land, trespass, water rights, mineral entry, renewable resources, problems of pollution, and activities which endanger reservation persons or property. To date, the two programs have been handled separately with most of our efforts concentrating on the identification of pre-1966 Statute of Limitations damage claims. Since 1972, Congress has appropriated over $21,000,000 to identify and evaluate these so-called "2415" claims.

Until the amendatory Indian Claims Limitation Act of 1982 (ICLA-82), the Statute of Limitations Program was governed by a time limit after which the United States was forever barred from pursuing pre-1966 damage claims though litigation. On December 30, 1982, Congress extended the Statute of Limitations until the Secretary had defined the "universe" of all such claims. Now, in compliance with the 1982 Act, this universe of approximately 36,000 claims has been published in the Federal Register, and the United States is now barred from filing suit on any pre-1966 claims not appearing therein. With respect to these published claims, the Statute of Limitations is now idefinitely extended until such time as the United States files litigation, formally rejects the claims for litigation or legislative solution, or submits legislation to the Congress resolving such claims. Approximately 7,300 of these claims remain in need of basic research. Notwithstanding Departmental rejection of certain of these claims prior to the 1982 Act, all of the claims are, by virtue of said Act, in need of reconsideration and/or resolution. In addition, it is estimated that unresolved land-related rights issues alone (which may or may not involve pre-1966 damage claims) number approximately 33,000 cases.

To date, our efforts have concentrated on the identification of "2415 claims," now referred to as "ICLA-82 Claims". Beginning with the current fiscal year, the work of the dual Statute of Limitations/Unresolved Indian Rights Activity now focuses on resolution of existing issues, as well as those (other than pre-1966 damage claims) which will be identified in the future. Highest priority must be placed on the pursuit of meritorious claims, with a lesser priority attached to the extinguishment of claims having little or no merit. Notice must be provided to the potential Indian plaintiffs where ICLA-82 claims are rejected for litigation by the Solicitor's Office and/or the Department of Justice. Notice must further be published in the Federal Register, after which the Indian plaintiffs have one year to file suit on their own to recover damages. Because third party interests will seek to extinguish potential claims through legal or political actions, some funding must remain available for responding to such actions.

Assistant Secretary Smith has established a "Statute of Limitations Task Force," whose duty it will be to review those claims which might be resolved through legislation. In this regard, recommendations and comments were solicited from Area Directors, Agency Superintendents, and Indian tribes and organizations. However, because we are currently in the process of devising the appropriate structure and system to address the entire Statute of Limitations/Unresolved Indian Rights Activity, there is no immediate activity required of the task force. By virtue of the 1982 Act, once a legislative solution is proposed and submitted by the Secretary, any right of action to recover damages will be barred after three years. Extreme care, therefore, must be exercised before a legislative solution is submitted. There must be a good chance of passage, with support, dollars and personnel to see it through to enactment.

The Bureau of Indian Affairs is currently in the process of establishing a cost-effective system for establishing priorities and resolving both the published ICLA-82 claims and additional unresolved Indian rights issues. Our current effort includes:

1. Improvement of the computer tracking system by combining the two programs into a single computer data base, plus updating of data, thus improving accountability to the Congress, the Administration and Indian entities.
2. Improvement of work flow to afford best use of available resources.
3. Seeking and obtaining negotiated settlements or other administrative remedy, and, failing these, supporting initiation of litigation or legislative resolution.

In the near future, interim guidelines for the overall program will be sent to each Area Office. Shortly thereafter, sometime this spring, we plan to hold a meeting of all Area Rights Protection Officers to explain the new program objective, strategy, work flow, methods of establishing priorities, the rejection process, and the purpose and use of the computer tracking system.

638 Oversight Staff

Question: Under your General Administration program, you initiated a New Program in FY '84 to provided oversight and monitoring of contracts under P.L. 93-638. The justification indicates that the program has not yet actually been staffed and there is not yet any work experience against which to measure work experience or need. The FY '84 justification only requested funding for 18 FTE and $680,000. It did not describe this as anything less than a full year funding or less than staff needed. The explanation that this increase is based on an annualization of costs does not seem quite right. Why are you requesting an increase in the contract monitoring program when you have had no work experience as of yet; doesn't it seem premature to be requested a 25% increase in funding and staff?

Answer: The FY 1984 request clearly indicated that 25 positions were being requested for this activity. Since it was a new staff, delays in receiving the necessary appropriations were expected and only 18 FTE were estimated to be needed in FY 1984 at a cost of $630,000. The FY 1985 request is the full year cost of the 25 positions justified and approved in FY 1984.

Question: You indicate that some staff will be located in Portland, Oregon; Minneapolis, Minnesota; and Albuquerque, New Mexico. Why do you select only three Area Offices? If this kind of staff is needed at the Area Level, why are the other Area Offices not similarly staffed?

Answer: While the staff may be physically located at the listed cities, they will not be part of any Area Office staff. These would be central office positions stationed at sites closer to their work in order to save on travel expenses.

Question: Obviously, there has been some monitoring of "638" contracts over these past years. Does the establishment of this new office result in a decrease in staff under any other program line item?

Answer: No. This staff would be given oversight responsibilities not carried out in any organized manner in the past.

Economic Development

Question: Why is it necessary to hire a new "highly specialized staff" to manage the economic development program?

Answer: The proposed establishment of an "Economic Development Facilitator Unit," will not be to manage the Bureau's economic development program. This Unit will provide policy guidance and assistance to Bureau management in the areas of Business Financing, Industrial Development, and Tourism, areas where the Bureau does not currently have the expertise.

Question: How many application for the business enterprise development grants are outstanding? And for how much?

Answer: There are 25 grant applications outstanding. The grant requests submitted before the February 15 cut off date total $9,162,675, with 7.5 months of the program year remaining.

Question: Why is this program limited to tribes, rather than to Indian companies or individuals?

Answer: It was decided that, because the program would be frugally budgeted, with no new staff for it, there would be no capability to administer the large number of applications which would come from individuals and companies, if they were eligible. Further, with a relatively small budget, all applicants cannot be funded. The Bureau's first priority, given the "government to government relationship", is to tribes. We believe that those governments have a responsibility for the development of their economies and need the assistance that the program offers.

Question: What proportion of need at the proposed funding level is being met with this program?

Answer: In fiscal 1983, when the program started, with the program functional for only about six months, $13 million in grant requests were received. Twenty one applications, requesting over $7 million, were deemed good enough to carry over into fiscal 1984 to consider for funding. Two of those carryovers have been funded and ten others are in various stages of readiness for funding. Fifteen new applications totaling $4,605,000 have been received before the February 15 cut off date in FY 1984, with 7.5 half months of the program year remaining. The proposals we received are in various stages of sufficiency; some are good and others poor. Our budget request is commensurate with the need we perceive.

Question: The budget states that "without legislative changes no new loans will be made under guaranty program." (p. 113). What proportion of the need is now being met under the current law?

Answer: For Fiscal Year 1984, we are authorized and have funds to support $19 million in guaranteed loans. As of April 18, we have approved $15.8 million in loans. There is another $13 million in requests for guarantees pending at the Central Office and Area Offices as of April 18. We will be able to guarantee only $3.2 million of these pending loans.

Question: What changes could be proposed?

Answer: The Bureau is currently considering amendments to the Indian Financing Act. Because these are still in the planning and review stage, no final recommendations are available at this time.

Natural Resources Development

Question: Please explain why there has been a three year pattern of fund reductions in natural resource development.

Answer: According to our records, there has not been a reduction trend. It could be the effect of Jobs Bill and fire suppression supplemental funding in FY 1983, as follows:

	FY 1983	FY 1984	FY 1985
Total Available/Requested............	$119,241	$92,688	$96,922
Less: Jobs Bill......................	-20,000	---	---
Fire Suppression Supplemental	-14,000	---	---
Total	$ 85,241	$92,688	$96,922

Question: Is there a plan to expand the Lakewood, Colorado natural resource development office so that it can properly serve the tribes?

Answer: Present plans are to first fill all vacant positions and then assess whether or not expansion is desirable. Recent actions on fillings positions are as follows:

An experienced geologist was selected in December as Chief, Division of Energy and Minerals Resources to manage and coordinate the Washington and Lakewood offices.

Two position announcements for experienced geologists for the Lakewood Office have recently closed. We are presently waiting on Personnel for the list of qualified applicants, to make our selections. A physical science technician position has also been advertised and is subject to applicant selection.

The qualification requirements for a petroleum reservoir engineer and a mining engineer position are currently being written for position openings in Lakewood, and are to be announced shortly.

When our personnel selections are completed the Lakewood Office will have four geologists with crossover disciplines (i.e., subsurface exploration, geophysics, mining, and mineral economics), a petroleum engineer, a reservoir engineer, and two mining engineers specializing in hardrock and coal, and surface and underground mining.

This small experienced geoscience group will represent the core or many disciplines in the mineral resource sciences and the building block from which to expand as more assistance is requested and required.

Question: Does the BIA have a plan to assist the tribes in participating in the Department of Energy refund program? Please describe the plan.

Answer: The Department of Energy refund program is a commercial gasoline-at-the-pump overcharge issue and is out of the jurisdiction of the Office of Trust Responsibilities.

Question: How is the surface mining control act fund being managed? How is it invested? Please describe the BIA plans for the fund.

Answer: The Surface Mining Control and Reclamation Act of 1977 is under the jurisdiction of the Office of Surface Mining. The Abandoned Mine Reclamation Fund (the "Fund") is administered by the Secretary of the Interior. There is established on the books of the U.S. Treasury a trust fund derived from a tax on coal production for the purpose of reclaiming abandoned mine lands.

At present, the issue of tribal reclamation programs affects only the Crow, Navajo, and Hopi tribes. As of September 30, 1983, $3,777,311 had been credited to the Crow abandoned mine land account, $18,850,499 to the Navajo account, and $1,339,384 to the Hopi account. Only the fees which have been collected and placed in escrow for the Crow tribe have come from off-reservation lands.

Both the Navajo and Hopi have accumulated fees from mining activities within the exterior boundaries of their respective reservations. While the Crow and Navajo have expressed strong interest in regulation of surface mining, the Hopi have yet to make a clear indication of their preference. Regulation by the Hopi may be impractical, since the only active mining operation affecting the tribe is one in which both the Hopi and Navajo tribes jointly own the coal.

However, there may exist abandoned mine reclamation projects which the Hopi may wish to undertake.

The Secretary recommended in the OSM Report to Congress on March 19, 1984, that the procedures mandated for state Title IV submissions be employed for the tribes as well. Should there be any need for reclamation work prior to the necessary approvals, OSM has already committed itself to using Secretarial share money through cooperative agreements to fund such projects.

Question: Can the committee anticipate the legislation proposals of the Department required by SMCRA?

Answer: The Office of Surface Mining presented their report to the Congress and proposed legislation on March 19, 1984.

Social Services Programs

Question: With respect to general assistance payments under the Social Services program, I understand that the level of assistance provided by the Bureau is pegged to the level of assistance provided by each state. In at least one state, this has resulted in a level of assistance that is less than 1/3 defined poverty level. What, if anything, has the BIA done to alleviate this problem?

Answer: The Bureau had a long-standing policy (since 1944) of making General Assistance payments at 100 percent of the established standard of need in the State wherein the recipient resides. However, with the enactment of the 1981 Omnibus Budget Reconciliation Act, which made many changes in the Aid to Families with Dependent Children (AFDC) program, many states increased the standard of need and imposed a rateable reduction on actual payment levels to maximize available funding in the Federal/State matching formula. This created some marked differences between the standards of need and the actual levels of payment, which brought the issue to the attention of the Congress. In the Fiscal Year 1983 Appropriations Conference Report No. 97-978, dated December 17, 1982, the report states on page 20 that: "The managers direct the Bureau to move expeditiously to implement changes in the general assistance program to bring payments into conformance with State payments in those States where the standard of need exceeds actual payments. The regulation shall provide flexibility for the Bureau to adjust payments as such payments may be adjusted by the States." The Bureau has issued proposed rules to carry out the Congressional Directive.

Question: Does the solution to this problem require congressional action or can it be achieved administratively?

Answer: The Bureau must follow the direction in the Conference Report on the FY 1983 budget.

Long-range Plans for Economic Development

Question: The Committee understands that some innovative brainstorming has been pursued recently by the Bureau regarding economic development. Please describe any possible program or plans for long range economic development which has been considered internally and which might be considered by the Committee.

Answer: The Bureau is in the process of considering the feasibility of a number of economic plans which may include grants, loan guarantees and direct loans. However, no definite plans have been approved to date, and recommendations are not available.

Distribution of Contract Support Funds

Question: The BIA's FY '85 Budget Justification describes a series of actions taken to change the method of distributing contract support funds, in order to comply with the congressional directive of the House and Senate Interior Appropriations Subcommittees to move the funds from a separate line-item account to the program accounts. What is being done, now, to assure that proper follow-up steps have been and will be taken to implement these actions in a timely manner for FY '85 - i.e., what kind of implementation procedures are you working on?

Answer: A number of steps have been taken to implement the Bureau's plan for combining Contract Support Funds (CSF) with program accounts beginning in FY 1985. During the months of November and December, 1983, extensive (10) consultation sessions with tribal representatives were conducted throughout the U.S. in an effort to explain and seek advice regarding proposed Bureau changes in the handling of CSF. As a consequence of these meetings, the Assistant Secretary - Indian Affairs, through his letter to all tribal leaders of January 13, 1984, advised that the Bureau would combine CSF with program accounts utilizing a "grandfathering" procedure. He also stated that in implementing this decision further tribal input would be sought. In that connection, a small committee which included a number of tribal representatives met in February 1984 for the purpose of discussing and recommending implementation procedures. The group's recommendations have recently been presented to the Assistant Secretary for his consideration. Follow-up procedures now being pursued by the Bureau for implementation in FY 1985 which are in line with the group's expressions include:

1. A review of all P.L. 93-638 contracts on a contract by contract basis for the previous three fiscal years is now underway to determine historical funding levels and CSF need requirements. This information will allow the Bureau to determine a fair and realistic total funding base for each contract under the new system.

2. To ensure the integrity of CSF, when combining CSF with program accounts, the Bureau plans to record information in its finance system on tribal contractor indirect or administrative costs during the operating year and include information on actual costs. Because of special circumstances in the School Operations, Johnson O'Malley, and Facilities Management programs we anticipate continuing to separately identify and budget for contract support funds within these activities/subactivities. All other program justifications will contain narrative information on the actual (prior year) funding for direct program costs and tribal contractor administrative or indirect costs. Because the distribution of funds to direct program costs or to tribal administrative (or indirect) costs for the current and budget years will be determined by the tribal contractors during

the contract negotiation process, the Bureau is considering including an estimate for these funds in the budget justification narratives for those years. The estimate would be based upon projections of actual prior year data.

3. Indian School Equalization Formula (ISEF) funds are utilized as program funds for schools under contract. Since by law these funds cannot be mingled with other monies, we plan to establish a separate line item in our Education budget to contain CSF.

In the FY 1985 justifications the transferred amounts have not been merged into the various programs within each activity. As we implement the new funding method, the proper distribution of contract support funds will be made to each contract and each program. In FY 1986, these "base" funds will no longer be budgeted separately from direct program funds for most programs. Several exceptions include contracted programs under School Operations, Johnson O'Malley, and Facilities Management. Because of special circumstances in these programs we anticipate continuing to separately budget for contract support funds within these activities/ subactivities.

Existing program contracts which receive base contract support funding during the FY 1985 cycle will no longer be eligible for additional contract support funds in FY 1986. The base distribution is one-time. Separate contract support funds will be requested each year (just as has been requested in FY 1985) to provide funds for new contracts. If an existing partial program contract (e.g., detention services rather than the entire law enforcement program) is later expanded to include additional contracted functions, the program expansion would be eligible for additional contract support funds. Merely increasing program funds without a real increase in function will not qualify a contracted program for additional contract support funds.

Question: The justification (p. 106) claim that the tribes "generally agree" with the new approach the BIA is taken for contract support funding. Several tribes dispute this statement. Please explain to this committee what type of tribal consultation has occurred and your factual base for claiming that the new approach has tribal support.

Answer: Congressional, OMB and Departmental concern regarding the increase in funding requirements for CSF has been expressed for a number of years and culminated in the FY 1983 Congressional directive to combine CSF with program accounts beginning in FY 1985. Up to this time, CSF has been a separate line item with the funding level requested for it dependent primarily on contractor indirect cost rates. Because indirect cost rates have steadily risen for a number of years, CSF requirements have been escalating and the Bureau has experienced significant shortfalls in this budget item. In order to comply with the above mentioned directive the Bureau had two special studies conducted by an outside contractor for the purpose of examining options for accomplishing this change. Included as a major option was to apply an amount of funds, disregarding contractor indirect cost rates, to new contracts to be determined by an analysis of the Bureau's overhead cost rate. This would have been in accord with Section 106(h) of P.L. 93-638 which states, "The amount of funds provided under the terms of contracts entered into pursuant to section 102 and 103 shall not be less than the appropriate Secretary would have otherwise provided for his direct operation of the programs or portions thereof for the period covered by the contract."

The budget justification refers to a meeting held in October, 1983, involving tribal representatives wherein the above option was discussed. There was general agreement that in lieu of applying funding based on an analysis of the Bureau's overhead costs a "grandfathering" procedure should be utilized which would reflect tribal contractor historical experience. Consequently, the Bureau's decision to "grandfather" funding levels based on contractors' actual experience is favored by tribes over the option to apply a standard amount of funds contingent upon BIA overhead costs. The consultation sessions referred to above in the previous answer and subsequent written correspondence from tribes have substantiated this preference. While there may be dissatisfaction with the basic change in the delivery of CSF, we believe it is generally understood and accepted that this new procedure has been mandated by Congress and not subject to change by the Bureau. Absent consideration of the Congressional directive to combine CSF with program accounts, there was and is general agreement that the method preferred by tribes for making the changes is to fold in or "grandfather" in funding levels which reflect actual contractor experience.

Since contractor indirect cost rates will no longer be considered in determining the amount of CSF beginning in FY 1985, it is important that FY 1984 funding be adequate not only for effective operation of contracts, but to serve as an essential aid for the Bureau in establishing a realistic base funding level for contracts in FY 1985. A realistic base level in FY 1984 will ensure a smooth transition to the new system. In that regard, tribal comments during our consultation sessions reflected the view that inherent in the new system is the understanding that contract funding levels would reflect actual contractor experience.

Question: Can the new approach to contract support work if there is not sufficient funding in FY '84 and FY '85 for contract support?

Answer: Under the new system, a total funding base to cover direct and indirect costs will be established under program accounts and tribal contractors will be obliged to operate their contracts within these base amounts. This new procedure will eliminate shortfall problems and allow contractors to plan and operate contracts with a known funding level when beginning contract operations. The key to the new approach is to provide adequate funds at the time of the merger of program and contract support funds.

Question: For FY '84, does the BIA have sufficient funding for contract support -- to pay the tribes 100% of the negotiated rate for contract support, or will there be a shortfall as there was in FY '83, requiring supplemental appropriations? What is the expected FY '84 shortfall? How will the BIA address this shortfall?

Answer: For FY 1984, we expect to experience a shortfall in CSF. Based upon our most recent information we project a shortfall of approximately $1.5 million. In addressing this shortfall, consideration will be given to allowing contractors the option of redistributing funds within their total contract amounts, and/or reprogramming of Bureau funds.

Senator **Andrews**. Our next group of witnesses come from the tribes. The first individual to testify is Mr. Caleb Shields, tribal council member from the Fort Peck Tribe, Poplar, MT.

Caleb, looking at the number of people going out of the room, it looks like we have more bureaucracy here than we have Indians.

Mr. **Shields**. I guess.

Senator **Andrews**. I do not know who is watching the BIA down there. You guys could have gone down and taken over while they were up here.

Mr. **Shields**. Again.

Senator **Andrews**. Maybe things would have worked better.

Mr. Shields, welcome to the committee.

Let me assure you that your statement will appear in the record as if given in total. You can summarize it any way you like. A good deal of your statement—and I have reviewed it—deals with health problems. We are going to have on Thursday the Indian Health Service here. Therefore, we will be using some of your testimony as examples or questions when we question them. So your testimony is going to be extremely helpful in that way.

Let me also say that, given the problems we have around here, I am supposed to be in Howard Baker's office 7 minutes ago, and I may well have to depart during your testimony. However, because I know how far you and the other tribal leaders have traveled, rather than hold it up and adjourn the hearing until this afternoon, I have arranged for Paul Alexander, our staff director, to continue with the testimony, so that you will not lose any of your precious time and we will get all your views on record.

Go ahead, Mr. Shields.

STATEMENT OF CALEB SHIELDS, MEMBER OF THE TRIBAL EXECUTIVE BOARD OF THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK RESERVATION

Mr. **Shields**. OK, Mr. Chairman. The statement will take approximately 8 or 9 minutes of the time.

I am on the tribal council of the Assiniboine and Sioux Tribes, and I appreciate this opportunity to express our tribes' concerns on the President's budget concerning the BIA, the Indian Health Service, and Indian education. These budget cuts are proposed when increases are needed. Some of these paper increases are actually reductions.

I will start with the proposed budget for the Indian Health Service, which shows a shocking disregard for the health needs of the Indian people.

On paper, the Indian Health Service proposes an additional $27 million for clinical services, which is an apparent increase of 4 percent, but because medical costs have increased 13 percent over the last year, in real terms Indian Health Service is proposing a 9-percent decrease. Furthermore, much of the additional $27 million would supposedly be derived from third party reimbursements, such as medicare and medicaid. IHS projects that it will receive $65 million in reimbursements next year. This is a completely unrealistic and unsupported figure. The fiscal year 1984 reimbursements were far below this amount, and virtually every factor that will affect the level of reimbursements, such as probable medicaid reductions by the States, points toward lower reimbursements, not higher ones.

Even the grossly inadequate increase IHS has proposed for clinical services will really be a substantial decrease. We urge the committee, as it did last year, to ignore the IHS projections for reimbursements and support an increase of at least 13 percent for clinical services.

Mr. Chairman, overall the net decrease of the President's proposed budget for Indian Health Services comes to a figure of minus $89 million.

We have two specific concerns over clinical services. First, at Fort Peck our highest health priority is the treatment and prevention of alcoholism. This terrible problem increases crime, unemployment, and family strife on the reservation, and also creates increased demand for overburdened programs such as IHS clinical services and BIA general assistance. The Indian Health Service-funded alcohol programs have made some inroads on these problems, but need to be greatly expanded. We are, therefore, very disappointed that the proposed budget of $24.6 million for alcohol programs would force us to shrink these programs, and not expand them. We urge the committee to support a budget of at least $30 million for these crucial programs in alcoholism.

Second, the Indian Health Service tells us that no significant progress has been made in reducing mental health problems among Indians. Yet, it has proposed a budget that would decrease mental health programs. At Fort Peck, many of the problems for which our people seek mental health treatment are related to alcohol abuse. We have had only three counselors on staff since the 1960's, with one brief exception several years ago when we were able to hire a fourth. When he left, we could not secure funds to replace him. We need additional staff to meet the growing demand for these essential services, and request that the IHS mental health budget be increased to $14.3 million.

As this committee knows, there is a substantial backlog of patients needing contract care. At Fort Peck alone, there is a backlog of over $300,000, including many surgical cases, and we understand that the backlog nationwide is over $20 million. In spite of this, the Indian Health Service budget makes no attempt to address this problem. We urge the committee to support, as it did last year, increases in contract care that will remove at least part of the backlog, and, hopefully, the Indian Health Service policy of life and limb.

The tribes strongly oppose this administration's efforts to reduce health scholarships and eliminate funds for recruitment and the INMED program. At Fort Peck, we have had considerable difficulty in filling professional staff positions at Indian Health Service facilities, particularly for physicians. The long-term solution to this problem is increased funding for training of Indian health professionals. Right now, intensified recruiting efforts are needed. The proposed budget would not provide either a long-term or a short-term solution, and we urge the committee to restore funds for these programs.

Once again, the administration proposes to eliminate all funds for facilities construction. This callous disregard is simply beyond belief. Many tribes are in desperate need of new hospitals and clinics. At Fort Peck, our greatest need is for new sanitation facilities, and we know that many other tribes share this need as well. We beseech the committee to continue to reject the potentially disastrous elimination of Indian Health Service construction funds.

The administration is once again seeking to eliminate CHR and urban health programs. We are grateful to this committee's support for the CHR program and are counting on your continued support. At Fort Peck, the CHR activities include followup visits for surgical patients with hypertension, diabetes, and ENT problems. The quality of care would suffer tremendously if this program were eliminated. In addition, we oppose the proposed cut in funds for public health nurses, who work closely with our CHR's.

The Fort Peck tribes also strongly support the urban health program because many of our tribal members go to the cities to find work and need health care. If the urban program were eliminated, many of our urban members would simply go without health care, and then return to the reservation if a serious problem developed. This is obviously not cost effective.

I will now turn to the budget of the BIA and Indian education.

The Johnson O'Malley programs and title IV programs are closely related at Fort Peck. The schools at Fort Peck receive a substantial percentage of their operating costs from title IV. They also receive supplemental assistance from Johnson O'Malley. The proposed budget leaves both programs at current levels, which of course means a real decrease. Given the decreases of the past three years, our schools simply cannot absorb any more cuts. Too many important programs have been suspended. For example, the Poplar schools were forced to eliminate a tutoring program that significantly reduced the high school dropout rate. Indian parents at home are still asking when the program will start up again. The counseling services have also been cut.

Education is the best hope for our children to achieve a better standard of living. We urge this committee to support budget increases for the education programs that will make this possible.

Tribal community colleges would also suffer under the proposed budget. The allocation for the Fort Peck Community College would be reduced by $8,000 if the budget were adopted, even though we will have at least as many students next year. We are a small college and simply cannot absorb this type of decrease in the face of increasing costs and past budget cuts.

Also, we request the committee to provide funds for the new endowment program authorized by Congress last year. The BIA budget justification does not even mention this program, which would help us attract private sector funds to the college.

The Bureau of Indian Affairs funds we receive to operate our juvenile detention center do not permit us to offer any services to the children there. Many of these children are young runaways and other status offenders. They need counseling and other rehabilitation services, not just detention. We request that the committee earmark $250,000 for the social services budget for the Fort Peck Juvenile Detention Center.

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Also, our tribal court facility is tiny and poorly designed. We have needed a new court complex for many years. We have received jobs bill money to renovate our jail, which is attached to the court. Because the jail is far too small to meet our needs, it must be expanded as well as renovated. When this is done, however, there will be practically no room left for the court. We will be forced to set up court in a small tribal house, which is even less suited as a court than our current facility. Plans for a new court complex have been drawn up by the local agency and submitted to the area office. We request that the committee appropriate $317,000 to fund this much-needed project.

The proposed budget would decrease funds for BIA social workers. The number of child welfare cases is distressingly high at Fort Peck, and the BIA does not have enough social workers to handle these cases. Funds for social workers should be increased, not decreased.

The irrigation project at Fort Peck is unfinished and has outmoded facilities that need to be renovated or replaced. We have already increased user fees as high as we can, and so we need BIA funds to help us solve these problems. We request the committee to support increased funding for the irrigation maintenance and construction.

The Bureau of Indian Affairs proposes to cut the budget for the HIP program. Under the proposed budget, the BIA would build and renovate fewer homes next year than it has this year. How can this be justified when there is a shortage of decent, safe, and sanitary housing throughout Indian country? At Fort Peck, 50 percent of our people live in substandard conditions. Overcrowded and unsafe housing is common.

The Bureau of Indian Affairs blames tribal budget priorities for the proposed cut, which we feel is simply ridiculous. Instead, it should acknowledge that its budget is too low to fairly reflect tribal priorities. We urge the committee to support a substantial increase in the HIP program.

Once again, the BIA has requested no funds for land acquisition. Everyone pays lip service to the need for land consolidation, but the plain fact is that without funds to purchase land, significant land consolidation will never occur. We hope that the committee will look at this issue carefully during the coming weeks and provide needed financial assistance.

That is the conclusion of my testimony. Thank you.

Mr. ALEXANDER [acting chairman]. Thank you.

I was particularly interested in your testimony about the health project. I was wondering if you or the tribe has had an opportunity to provide the committee with written comments on the Health Care and Improvement Act reauthorization, on which we are having hearings next week.

Mr. SHIELDS. Yes, we will be submitting testimony on the reauthorization.

Mr. ALEXANDER. We really appreciate that.

Mr. SHIELDS. In addition, we will also be submitting testimony on behalf of the Montana Intertribal Policy Board, of which I am chairman.

Mr. **Alexander**. That is a very important agenda item for the committee this year.

I would like to assure you that we intend to continue our support for CHR's in the current budget cycle. You will note in our version of the reauthorization that that position is made statutory.

I would like to have Ginny Boylan, who is special counsel on the committee and works for John Melcher, ask you some questions.

Mr. **Shields**. Sure.

Ms. **Boylan**. Hi, Caleb.

The Senator asked me to convey his apologies for not being able to stay to hear your testimony, but he had another hearing that he had to attend.

I have questions on two of the items you mentioned in your Bureau program comments.

On the tribal court facility, I am not quite sure—you renovated the jail with jobs bill money, and then you had to do away with the court? How did that happen?

Mr. **Shields**. Going back a few years, Fort Peck received Bureau funding to renovate the jail and to build an addition to the jail-court complex. Through the whole bidding process and having to negotiate, it took a few years. By that time, the money that was available shrunk the project to just renovation, including a separate juvenile facility which was also planned, but it eliminated the court complex.

So the renovation of the jail is now pushing out the tribal court. There will be no room for it. We are going to have to move it to a small tribal house.

Ms. **Boylan**. Where is it now?

Mr. **Shields**. For the [illegible] complex, there is a request by the agency superintendent that has been submitted to the area office and then to the central office to Ken Smith.

Ms. **Boylan**. Are you using jobs bill money for the addition you are doing now for the facility?

Mr. **Shields**. That is correct.

Ms. **Boylan**. Will there be any this year?

Mr. **Shields**. No.

Ms. **Boylan**. Is there a Bureau priority list for construction of facilities like the court facility?

Mr. **Shields**. I really do not know. I would assume there would be some type of priority list, but I have never seen one. There are such things in the Indian Health Service, but I have not seen that type of thing within the Bureau.

Ms. **Boylan**. So you do not know if there is one or if you are on it?

Mr. **Shields**. I would like to find out.

Ms. **Boylan**. We will try to find out for you.

Mr. **Shields**. All right.

Ms. **Boylan**. Senator Melcher asked some questions on the irrigation, and so did Senator Andrews. To follow that up, I want to know, if you know, whether you are on their priority list at this point? Have you had a study done on what the needs are and what it would cost?

Mr. **Shields**. For what?

Ms. **Boylan**. For your irrigation system project.

Mr. **Shields.** There has been one submitted by the agency because they have had quite a series of meetings locally with the farmers, the agency, and the tribes, and they have raised rates and they have submitted some kind of a plan to the area office on that. I could supply that information.

Ms. **Boylan.** So they have some idea how much it will cost?

Mr. **Shields.** Right.

Ms. **Boylan.** But, we do not know where it is on the priority list?

Mr. **Shields.** No.

Ms. **Boylan.** We will try to find that out, also.

Mr. **Shields.** Right.

Ms. **Boylan.** Thank you, Caleb.

Mr. **Alexander.** We appreciate your testimony. Thank you for taking the time to come in.

We are going to take about a 20-minute break, and we will resume at 12:15 with Raymond Morgan and Robert Bordeaux, if they are here. If not, we will continue down the list.

[Recess.]

Mr. **Alexander.** We are going to get started again.

Our first witness this afternoon is Raymond Morgan, who is the chairman of the Navajo Indian School Board, and is accompanied by Dan Rosenfelt.

Gentlemen, proceed as you wish.

STATEMENT OF RAYMOND MORGAN, CHAIRMAN, EXECUTIVE BOARD, NAVAJO AREA SCHOOL BOARD ASSOCIATION, AND MEMBER, BOARD OF DIRECTORS, NATIONAL INDIAN SCHOOL BOARD ASSOCIATION, ACCOMPANIED BY DANIEL M. ROSENFELT, COUNSEL

Mr. **Morgan.** Thank you for the opportunity to be here.

You have a copy of our testimony.

The first issue on our agenda will be the forward funding for BIA education. There is a great need for this right now in our BIA education programs all over the Nation. One thing that was talked about was phasing it in this first year. That is not really going to solve our problem, but what we would like to see is double funding the first year of forward funding, and I do not think it is going to be much of a burden on the budget.

We would like to request that this be on the March 15 report.

Also, we have these facilities that were built in the twenties and thirties, and they are still out there. We are utilizing the schools right now, and some of these school buildings have deteriorated and are in deplorable condition right now.

We have asked the committee to come out and see for themselves the existing conditions. When will it be possible for some of the committee to come out and take a look at our buildings?

Mr. **Alexander.** The committee's travel budget is relatively limited, and we do occasionally get to make onsite inspections. When we can, we will. It is not currently in our plan.

Mr. **Morgan.** If you are willing to come out, we can pick up the tab for you guys so that you may see the buildings and understand the needs of these buildings. If we talk about it, the picture cannot be painted completely; you must to go out and really look at these buildings yourselves and the distance between them. The schools are not close together.

Mr. **Alexander**. I would be willing to consider sending a staff person during the next break. We can get back to you about it.

Mr. **Morgan**. OK.

Now part of the reason for the facilities getting into deplorable condition is that in Public Law 95-561, 25 U.S.C. 2006(b) it was stated that the maintenance and custodial personnel would be placed under the education programs. This has not yet been done. We would like to see this happen in the near future because there is a great need for these maintenance programs. If you cannot supervise these persons, they can say, "I do not work for you," or something like that. They will not do what you direct them to do.

Mr. **Alexander**. Have you inquired directly of the BIA why that transfer has not been made?

Mr. **Morgan**. Yes, we have.

Mr. **Alexander**. What kind of response have you gotten?

Mr. **Rosenfelt**. As we understand it, at one time the Assistant Secretary did issue a directive ordering that to happen and then it was countermanded, as we understand it, by the Assistant Secretary for Policy, Budget, and Administration. They understand they are supposed to do it, but they are not doing it.

The Navajo School Board Association feels very strongly about this, and they have authorized us to institute litigation. In fact, we have now issued a demand letter to the Secretary. However, frankly, we do not feel we ought to have to sue the BIA to obey a clear statutory mandate. We are asking for some help in this.

Mr. **Morgan**. So if you can look into this matter further, we would appreciate that.

The other issue we have is on quarters rentals by the governmental employees. The housing that these employees live in was not built to the standards. That is the first problem. We have to go back and renovate some of these places, and in some instances we have to insulate them again and do a lot of work on it for energy-saving purposes.

The money, we understand, that was being taken on this was supposed to go back for renovation on these buildings. Ten percent of this has been picked up by the administration up here and 90 percent has gone back, which is not enough to renovate some of these buildings.

When you come out to visit us there, we will show you these places where the quarters are and where they are not being fixed up right. As I said, they are old. Some of them are just deteriorating so badly that you cannot live in them anymore, and some of them are condemned.

Another area is wage grade employees. There is need for these support personnel. Yet, a lot of these wage grade employees are paid higher than the principal in some instances. I think what we need done here is to change the law to where it can be the same as educational employees who contract with the schools. This will be phased in, and I think we can save some money there and we can make better use of our money out there if we have these changed.

Mr. Alexander. I would like to assure you that your full statement will be received by the committee for the record. I appreciate your summarizing your statement.

Several points that you have raised concerning facilities and forward funding will be included in our questions to Assistant Secretary Smith, which he will need to submit for the record in the next 10 days. We will try to help produce some answers on those.

Thank you for attending. We appreciate it.

[The prepared statement follows:]

PREPARED STATEMENT OF RAYMOND MORGAN
CHAIRMAN, EXECUTIVE BOARD, NAVAJO AREA SCHOOL BOARD ASSOCIATION
MEMBER, BOARD OF DIRECTORS, NATIONAL INDIAN SCHOOL BOARD ASSOCIATION

Mr. Chairman and Members of the Committee: I appear today on behalf of the two largest Indian school board organizations in the country. Our local school board members want you to know that the system for BIA funded schools established by Congress is a good one. Today however, it is not working nearly as well as it should. I would like to direct your attention today to four areas requiring further Congressional scrutiny.

FORWARD FUNDING FOR BIA EDUCATION. The monies which Congress appropriates must get to the schools in time to be spent on educational programs. This year, our schools did not receive their advice of allotment until February -- months after decisions on staffing and planning had to be made.

We request a one time double appropriation this year so that BIA funded schools can receive their allotments in time to plan a budget before the school year begins. This action would place BIA education programs on a parity with those funded by the United States Office of Education.

As we understand it, the following steps are necessary to accomplish forward funding. First, this Committee must list forward funding of BIA education as a priority in its report to the Budget Committee due March 15. Then the Budget Committee must allow adequate ceiling for this one-time double funding. Finally, the Appropriations Committee must make a two year appropriation.

Forward funding is the number one priority for BIA funded schools. We need the assistance of each member of this Committee to achieve this worthwhile objective.

FACILITIES. Facilities at most of our schools are in substandard condition. One reason is that the Administration never requests and Congress never appropriates enough money to provide proper maintenance.

Attached as Exhibit I to my statement is a table prepared at my request by Interior's Office of Construction Management showing the distribution of Facility Improvement and Repair funds within the BIA in recent years. In 1979 BIA identified more than $418 million dollars worth of repairs and improvements needed to bring BIA facilities up to minimum standards. More than 80% of BIA facilities are schools.

These figures reflect callous indifference to the welfare of Indian children in the schools. We would not expect that the backlog would be eliminated in three years or even five. But at the present low level of appropriations our facilities will never be brought up to standard. Instead, they deteriorate more each year.

There is plenty of blame to go around. The Administration almost every year has requested less than the Congress has appropriated. The Congress each year has appropriated far less than the need requires. This pattern of official neglect of school facilities must be halted. I ask your help.

The figures also show that Navajo Area has received far less than its fair share compared to other Areas in the country. 62% of the original backlog of work is on Navajo. That, in turn, is a reflection of the historic underfunding of operations and maintenance in the Navajo Area. See, Exhibit II. Each year the BIA allocates much less than 62% of available funds to Navajo. This systematic pattern of discrimination against Navajo should not obscure the larger point that the level of funding of BIA facilities is totally inadequate.

I invite each member of the Committee and each staff member to come and visit our facilities at Navajo. I think it important that you see for yourself the realities that these figures depict.

A second reason for the deplorable state of school facilities is that BIA maintenance and custodial personnel have not been placed under the direction and supervision of the Office of Indian Education Programs. This is in flagrant disregard of the express directive contained 25 U.S.C. 2006(b). There are costly practical consequences of this failure to allow education to direct school maintenance operations.

At Many Farms High School in Arizona, for example, the facilities personnel installed a wood shop dust collection system inside the classroom. The resulting vibration and high noise level precluded use of the room for instructional purposes. The exhaust system had to be dismantled and the Bureau is now preparing to let a new contract to place the system outside the building. This never would have happened if education personnel had been directing the maintenance effort.

We would appreciate any help that you could give us in requiring that BIA place its maintenance and custodial workers under the supervision of education as the law so clearly requires.

QUARTERS. Because all of our schools are situated in remote locations, it is necessary that BIA provide quarters for school personnel. Until recently, this housing was made available at nominal rentals. Since 1980, however, the Department of Interior has at least doubled and in many cases tripled the rent. Monies collected as rent are supposed to be ear marked for maintaining and upgrading the quarters.

This raises several related problems. First, current rents act as a disincentive to our teachers who -- generally -- are paid less than teachers in public schools. The net effect of raising the rents is to reduce the take home pay of our teachers. Because these government quarters, in most cases, constitute the only available housing for many miles, it seems arbitrary to base the rents on distant communities in the region.

BIA has failed to develop any clear system for the allocation and use of the rent monies it collects. We ought to be able to tell our employees where the large sums they pay in rent are going to be spent. We face serious morale problems in the field because of the dramatic increase in rentals. There ought to be some local control over the distribution of the monies collected.

It is our understanding, moreover, that at least 10% of the the rents collected have been confiscated for BIA administrative expenses in Washington and in the field rather than for maintenance of quarters. This appears to be unauthorized double funding because administrative expenses are included in the base budget. We request your assistance in requiring BIA to account for its use of quarters money.

WAGE GRADE EMPLOYEES. When Congress passed Public Law 95-561 in 1978, it established a new personnel system for holders of education positions. Exempted from the new personnel system were support personnel such as cooks, janitors and bus drivers who remained under the civil service system.

Civil service wage levels at BIA operated schools are much higher than salaries paid to personnel in nearby public school systems. The Chuska Boarding School, for example, pays its Cook Foreman $30,826 per year or $14.82 per hour. A cooks manager in the nearby Gallup McKinley Public School System is paid $5.40 to $6.40 per hour -- less than half as much. In many of our schools, the cook is paid more than the principal and much more than the teachers.

Because most of the cook, janitor and bus driver positions are held by local community people, some school boards members do not wish adversely to affect individuals presently employed at BIA operated schools. However, as new employees are hired, we believe they should be placed under the same personnel system as our teachers.

Our education program is suffering because of the dual personnel system. We do not have enough money to attract and retain good teachers. At the same time we are paying support personnel more than is necessary. We need your help to bring the system into a proper balance.

Thank you for your attention.

DISTRIBUTION OF FI&R FUNDS (MAJOR PROJECTS ONLY)

AREA	ORIGINAL BACKLOG	% OF TOTAL	FY-80	% OF FY-80 TOTAL	FY-81	% OF FY-81 TOTAL	FY-82	% OF FY-82 TOTAL	FY-83	% OF FY-83 TOTAL	FY-84 PROJECTED	% OF FY-84 TOTAL	FY-85 (PROPOSED)**
Aberdeen	$ 59,370,330	14%	$ 1,582,478	25%	$ 4,201,851	25%	$ 4,319,291	16%	$ 5,775,690	18%	$ 7,892,000	27%	$ 4,800,000
Anadarko	22,273,742	5%	41,977	3/4%	1,184,000	7%	1,071,000	4%	94,798	-0-	1,101.000	4%	2,240,000
Billings	6,853,590	2%	-0-	-0-	-0-	-0-	971,261	3%	1,328,682	4%	992,000	3%	960,000
Juneau	*	-0-	925,210	15%	517,452	3%	425,586	2%	2,048,108	7%	1,530,000	5%	-0-
Minneapolis	881,555	-0-	80,000	1 1/4%	213,918	1%	345,000	2%	-0-	-0-	-0-	-0-	320,000
Muskogee	10,005,743	3%	49,888	3/4%	470,000	3%	429,166	1%	598,250	2%	903,000	3%	320,000
Phoenix	25,304,214	6%	758,930	12%	1,599,142	10%	3,519,304	13%	4,343,764	14%	1,271,000	4%	1,920,000
Sacramento	222,270	-0-	-0-	-0-	-0-	-0-	987,650	4%	121,003	-0-	-0-	-0-	-0-
Albuquerque	5,635,404	1%	15,000	1/4%	1,000,500	6%	2,805,127	10%	1,751,587	6%	-0-	-0-	1,600,000
Navajo	259,428,039	62%	2,838,867	45%	5,934,187	36%	10,186,693	37%	14,353,119	46%	12,655,000	44%	16,000,000
Portland	12,837,692	3%	-0-	-0-	195,500	1%	1,049,300	4%	-0-	-0-	492,000	2%	1,280,000
Eastern	15,748,114	4%	-0-	-0-	1,317,884	8%	1,041,229	4%	836,000	3%	2,164,000	8%	2,560,000
TOTAL	$418,560,693	100%	6,292,350	100%	$ 16,634,434	100%	$ 27,150,607	100%	$ 31,253,001	100%	$ 29,000,000	100%	$ 32,000,000

* $83 million was originally identified for Juneau. Because all schools are being turned back to the State of Alaska this is not included in the total backlog.

** This breakdown is taken from the FY-85 budget request and includes funds for management & inspection, contingencies and minor repairs. Major projects would total approximately $26 million.

BEST COPY AVAILABLE

DISTRIBUTION OF OPERATION & MAINTENANCE FUNDS

($000)

AREA	GROSS SQ. FEET	% OF TOTAL SF	FY'82 ACTUAL	% OF FY'82 TOTAL	FY'83 ACTUAL	% OF FY'83 TOTAL	FY'84 TENTATIVE	% OF FY'84 TOTAL
Aberdeen	4,520,102	15.4	$ 9,917	14.2	$ 12,400	16.2	$ 13,400	17.5
Anadarko	1,093,965	3.7	1,500	2.1	2,175	2.8	2,100	2.7
Billings	1,069,458	3.7	2,274	3.2	3,320	4.3	3,400	4.4
Juneau	1,077,748	3.7	12,943	18.6	9,100	11.9	5,450	7.1
Minneapolis	370,299	1.3	1,070	1.5	1,300	1.7	1,300	1.7
Muskogee	628,288	2.1	1,000	1.4	1,400	1.8	1,400	1.8
Phoenix	4,707,652	16.1	8,763	12.6	9,300	12.2	9,500	12.4
Sacramento	154,554	0.5	300	0.4	300	0.4	350	0.5
C/O Schools	1,304,315	4.5	2,805	4.0	3,235	4.2	3,050	4.0
Albuquerque	1,102,708	3.8	3,700	5.3	3,600	4.7	3,800	5.0
Navajo	11,493,332	39.3	20,398	29.3	25,180	32.9	27,334	35.7
Portland	822,973	2.8	2,663	3.8	2,460	3.2	2,665	3.5
Eastern	932,367	3.1	2,499	3.6	2,800	3.7	2,800	3.7
	29,256,567	100.0	$ 69,512	100.0	$ 76,570	100.0	$ 76,549*	100.0

* Actual amount appropriated is $78,369,000
$1,820,000 is to be held in reserve for ADP and other support services.

DANIEL M. ROSENFELT
ATTORNEY AT LAW
1516 SAN PEDRO NE
ALBUQUERQUE, NEW MEXICO 87110
TELEPHONE [illegible]

January 27, 1984

The Honorable William Clark
Secretary of the Interior
United States Department of the Interior
Washington, D.C. 20240

Dear Mr. Secretary:

I represent the Navajo Area School Board Association, the tribally chartered school board entity on the Navajo Indian Reservation. NASBA has learned that the Assistant Secretary, Indian Affairs plans to withhold $5.898 million dollars from the FY-84 BIA education appropriation in order to fund a computerized Management Information System for the Bureau of Indian Affairs.

The Navajo Area School Board Association is alarmed at the size of this planned reprogramming, the fact that education would bear virtually all of the costs, the fact that this action is taken without consultation of the affected Indian groups, without adequate internal planning, and in the face of an express Congressional denial of a more modest BIA request for funding ADP services. Withholding $6,000,000 from BIA schools would devastate the operational program which is now far into the school year.

On behalf of the Navajo Area School Board Association, I request that you restrain this proposed action of the Assistant Secretary, Indian Affairs. The installation of a multi-million dollar MIS system ought to be paid for by a special appropriation line item.

A related problem concerns BIA's delay in issuing advice of allotments to BIA schools. As you know, Congress acted relatively early this year on appropriations. As of this date, however, BIA has failed to notify the schools of their FY-84 allocations. There is no fat in the BIA education appropriation figure. The schools need their allocations promptly if they are to make prudent and needed expenditures for the benefit of Indian children. It appears as if there is some sort of diabolical budgetary game being played by BIA. We would appreciate anything you could do to see that the schools get their full allotments immediately.

Thank you for your assistance.

Sincerely yours,

Daniel M Rosenfelt

Daniel M. Rosenfelt

DANIEL M. ROSENFELT
ATTORNEY AT LAW
1516 SAN PEDRO, NE
ALBUQUERQUE, NEW MEXICO 87110

TELEPHONE [illegible]

February 14, 1984

The Honorable William Clark
Secretary of the Interior
United States Department of the Interior
Washington, D.C. 20240

Dear Mr. Secretary:

I represent the Navajo Area School Boarad Association, the tribally chartered school board entity on the Navajo Indian Reservation. I am writing to call your attention to the persistent failure of the Assistant Secretary for Indian Affairs to implement a statutory mandate related to Bureau of Indian Affairs schools.

25 U.S.C. Sec. 2006(b) requires that the Director of the Office of Indian Education Programs direct and supervise operations of certain personnel. The statute provides:

> The Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved with provision of education services by the Bureau, including (but not limited to) school or institution custodial or maintenance personnel.

The underlined language was added by Sec. 2(b) of Public Law 96-46, August 6, 1979.

Neither the custodial nor the maintenance personnel have been placed under the direction and supervision of the Office of Indian Education Programs. We believe that the failure of the Bureau of Indian Affairs to comply with this statute is a major contributing factor to the present deplorable state of many of the school facilities.

The Executive Board of the Navajo Area School Board Association has directed me to secure compliance with this statute. Accordingly, please be advised that if within thirty (30) days of the date of this letter we do not receive satisfactory assurance of the prompt and complete implementation of this statutory mandate with respect to the direction and supervision of (a) custodial personnel and (b) maintenance personnel, we shall institute an action in an appropriate United States District Court. Please be further advised that if such action is necessary we shall seek to recover attorney's fees under the Equal Access to Justice Act on the grounds that there is no substantial justification for refusing to comply with an express directive of the Congress of the United States.

Thank you very much for your prompt attention.

Very truly yours,

Daniel M. Rosenfelt

Daniel M. Rosenfelt

Mr. ALEXANDER. Is Roger Bordeaux here?

Would you like to step up and present your statement?

Mr. Bordeaux, your full statement will be included in the record of these hearings. Would you like to proceed?

STATEMENT OF ROGER BORDEAUX, PRESIDENT, ASSOCIATION OF CONTRACT TRIBAL SCHOOLS, ST. FRANCIS, SD, ACCOMPANIED BY LEWIS DILLON, ADMINISTRATIVE OFFICER, MARTY INDIAN SCHOOL, MARTY, SD

Mr. BORDEAUX. I would like to just highlight what is written and make a few recommendations that, hopefully, the Senate will be able to implement.

I want to talk primarily about three things today.

With the House's investigative study that was conducted last year on the contract schools, with the upcoming Senate-mandated study to the Department of Education, which apparently the Department of Education is passing around—they do not know who they want to do that study—with all of this happening, and we identified specifically about 20 or 25 issues that need to be addressed, but we are going to concentrate primarily on three today. A couple have already been mentioned by the Navajo Association, which we support.

One basically is the method of funding, not necessarily all of the problems, but the bottom line is that the formula itself does not provide enough funds for basic instruction, so we have to go after supplemental funds.

The amount of money for administrative costs is sometimes not enough, based on need.

We are still spending instructional moneys for operation and maintenance costs regardless of what the Bureau is saying.

A lot of these problems could be alleviated by changing contract years. Basically, it is funded October 1 to September 30, and most school systems do not operate that way. We would like to have that changed to July 1 through June 30.

We would like to have that funding process forward funded for 1 year, so that we could alleviate some of the problems that we run into October through April. A lot of schools still do not have their final allocations this year and they are forced to borrow money and pay all that interest, and basic management stuff; it is really hard for us to operate, but we are able to.

If there is a problem with forward funding—and I have already heard a statement saying that the schools are going to have to do something—if we decide to go with forward funding, the schools are going to have to do without something for 1 year.

The Senators this morning mentioned something about funding El Salvador and all that. I do not know how much they get, $200 or $250 million. Let them suffer for 1 year and give us that $250 million.

The other thing I think which has been alluded to, and has been talked about quite a bit, is the condition of the facilities of Bureau-funded schools, contract, and 561. There has been such a backlog for FI&R construction, problems with operation and maintenance for 561 schools, and all this other stuff.

Apparently, either because OMB is cutting them off or they never approached them with requesting enough, anyway, they are getting to a point where a lot of the schools are existing in facilities that they should not be in. But they want to run their local school systems, so that is what they are going to do, even if some of the buildings are falling apart and tilted. I think one of the statements in one of our studies at St. Francis said that one of our facilities was "tired." You can take it from there.

Then the last thing that I want to talk about a little bit is the contract support indirect cost. There has been a lot of problems with it for a long time, and I think that the bottom line for the schools and for contractors is that we do not necessarily care about the method of how the money gets to the schools.

Under 638, it is supposed to cover administrative costs which the Assistant Secretary would have had, anyway. If that cost is there, the money should go along with that cost and it should be 100-percent funded and negotiated locally. Basically, the bottom line is to make sure there is enough.

Mr. **Alexander**. Have you been involved at all with any of the processes that the BIA is supposedly following in trying to implement the new indirect cost system? Have you been invited to any of the seminars or have your views been solicited?

Mr. **Bordeaux**. I think that they did have some field testimony. I went to one in Aberdeen. Basically, what they did that day was review the two studies that the American Indian Law Center did and they made a couple implications that a few people were scared about. One was sticking to 15.5 percent regardless of what kind of program you run. Another one was currently what I hear they are doing now is based on historical costs. They are going to fund the contractors at that rate and then adjust it based on additional administration load one way or the other, and stuff like that. Basically, that is not to bad a concept as long as it is understood that the money is provided for the contractors for administrative costs which the Assistant Secretary would have gotten if he were running those programs, and guarantee that it will never lose its identity, and guarantee that it is 100 percent negotiated locally.

Mr. **Alexander**. The BIA's budget justification states that these consultations have engendered tribal support. Would that be an accurate statement from the one that you attended?

Mr. **Bordeaux**. The one that I attended in Aberdeen, as I said before, somebody from the American Indian Law Center got up and said, "This is what we reviewed," and that was it.

Prior to that, some people in the Aberdeen area were trying to use that 15.5-percent rate to negotiate this year. Hopefully, we were lucky enough to get rid of that idea, anyway.

Mr. **Alexander**. Would it be more accurate to say that the people who attended the meeting in Aberdeen were neutral rather than taking——

Mr. **Bordeaux**. I think they were more neutral.

Mr. **Alexander**. They were listening?

Mr. **Bordeaux**. They were there to get information, not necessarily to support anything?

Mr. **Dillon**. I think there are a couple of other things we would like to mention.

Mr. **Alexander**. Would you identify yourself for the record, please?

Mr. **Dillon**. I would be happy to do so. I am Lewis Dillon, administrative officer at Marty Indian School in Marty, SD.

Mr. **Alexander**. Which, believe it or not, I have been through.

Mr. **Dillon**. Yes. Several people have heard of Marty recently. In answer to a question I believe Senator Melcher raised this morning, BIA officials stated that utilities have not increased over the last year. Now I am sure that that was humorous to a lot of people, but it is this type of thinking that is forcing the contract schools to use their ISEP dollars for which they were not intended to be used, to keep those buildings open. I think it is important that we understand that in 1981, as close as 1981, the Bureau indicated that there were no schools in written communication using ISEP dollars for operation and maintenance. They requested, if anyone knew of any instances, to make that available to them. That information has been made available repeatedly, and yet we see no increases forthcoming to eliminate this use of ISEP dollars; dollars that were intended to educate the children in the contract schools.

Thank you.

Mr. **Alexander**. Thank you.

Mr. **Bordeaux**. I would like to just wrap up the whole testimony. The current structure of the Bureau is such that for education it is here, for facilities it is here. If all of those programs which are designed for schools and for those kids—maintaining facilities, providing instruction, and everything else—if all of that were under the Office of Indian Education programs, I think all of the schools would operate a heck of a lot better. They would have a lot more input into it and everything else. So if that could be brought home somehow, I think that is the main thing.

Mr. **Dillon**. If I may, I believe it is a budget line item in the Bureau's budget that OCM be placed under the Bureau of Indian Affairs. I do not take this lightly. I think it is imperative because of the decisions and the kids who went through cold winters without any heat this year, because decisions could not be rendered by the Office of Construction Management. Until the people whom OCM is serving have an input into the priorities and their action, it will continue to exist, exactly what we experienced this last year.

Rather than taking it lightly as a line item, I think it is imperative that we see that it stays in the bill all the way through so that we do have input into the Office of Construction Management through the Bureau of Indian Affairs.

Mr. **Alexander**. We have your full statement for the record. As I indicated to the earlier witnesses on some of the same issues, we will be addressing additional questions to the Assistant Secretary other than those which were orally asked today, and we will include the items that you presented.

Mr. **Bordeaux**. Thank you.

Mr. **Alexander**. Thank you for coming all the way from South Dakota.

[The prepared statement follows:]

PREPARED STATEMENT OF ROGER BORDEAUX, PRESIDENT, ASSOCIATION OF CONTRACT TRIBAL SCHOOLS, ST. FRANCIS, S. DAK.

My name is Roger Bordeaux, we are here today representing the Association of Contract Tribal Schools. There are over 60 schools in this nation on reservations that are operating their own schools to meet the needs of the local community. Because of past and existing Federal policy implementation these schools are being hampered in the administration of their programs. There are 3 major areas that effect all of these schools:

(1) Method of Funding
(2) Condition of Facilities
(3) Contract Support

The current method of funding leads to schools not knowing their final allocation as late as April of any given school year. The schools are forced to borrow money in the fall and early spring semesters in order to keep the schools open. They cannot purchase necessary classroom materials at the beginning of the school year because their money does not come the same time as school starts. It is often hard to meet short or long-term planning goals because of the difficulty of financing programs. The Indian School Equalization Formula is not meeting the needs of the local communities. The Formula needs to be reviewed in light of the fact that there are inadequate funds for basic instruction, transportation, small schools, severely handicapped, isolation and other factors that are not even considered. The weighted student unit amount has not kept up with inflation over the last 5 years and in fact has decreased. The FY-84 amount is tentatively reduced because the Assistant Secretary is holding funding back to fund administrative Bureau costs. Schools are forced to use supplemental funds for basic educational needs.

There are some specific things that can be done to expedite funds to the schools which would improve the delivery of services to elementary and secondary students.

The very first thing to do is change the fiscal year for BIA Education to July 1 through June 30. All other federal education programs are this way. This would coincide with the school year.

The second thing to do is to forward fund BIA Education beginning in FY-85. If it is not possible to forward fund all education at least the contract tribal school portion could be done in FY-85. All other federal education programs are this way.

The ideal solution is to have separate funding for contract tribal schools. This would be in line with other legislation that deals with the self-determination policy of the federal government.

Another major problem identified by many of the tribal schools is the condition of their facilities. There are schools identified by architectural and engineering firms that need to be replaced immediately because of life safety problems. There are facilities that need to be renovated because of life safety problems. There are facilites that need to be replaced or renovated because of violations of Health and Safety Codes. There are facilities that need to be replaced or renovated because of functional deficiency. There are facilities that need to be replaced or renovated because they are unsanitary.

The Interior Departments Office of Construction Management and the Facility Engineering Office under the BIA have known about these education facility deficiencies for over 17 years. These offices have not lived up to their obligation to maintain, renovate or replace all existing school facilities for the elementary and secondary students in BIA funded schools. We support moving the Office of Construction Management under the BIA.

Some previously private schools have still not received enough operation & maintenance funds and are forced to use instructional monies for those functions.

The current process of contracting architectural & engineering funds, facility improvement & repair funds, and construction funds takes so much time that these offices are allowing the elementary and secondary students in BIA funded schools to be educated in deteriorated, delapitated and unsafe facilities.

The ideal solution would be to move all education facility functions from where they are now within the Department of Interior under the Office of Indian Education Programs.

The contract support fund is intended to cover the administrative costs of contractors and subsequently reduce the federal administrative costs at the Agency, Area and Central Bureau of Indian Affairs offices. As long as this fund is at least equal to the amount which would have been available if operated by the Assistant Secretary for Indian Affairs, the method in which the money is received at the local level should be the simplest possible. There must be a guaranteed 100% negotiated amount available based on need. This fund should not lose its identity.

The policy of self-determination must be implemented and preserved by all three branches of the federal government.

Mr. ALEXANDER. Marie Starr of the Muckleshoot Tribe from the great State of Washington. She is accompanied by a member of the Warm Springs Reservation.

Would your colleague introduce herself, please?

STATEMENT OF MARIE STARR, MEMBER, MUCKLESHOOT TRIBAL COUNCIL, AND VICE CHAIRPERSON, MUCKLESHOOT TRIBAL SCHOOL BOARD, ACCOMPANIED BY MARGO THOMPSON, TRIBAL EDUCATION PLANNER-DIRECTOR

Ms. STARR. Good morning.

My name is Marie Starr, and I am a member of the Muckleshoot Tribal Council. I serve as the vice chairperson to the Muckleshoot Tribal School Board.

The Muckleshoot Tribe is located near Auburn, WA.

My testimony today is focused on Indian education and social services issues of concern to the tribe. These are not the only concerns that the tribe has. Written testimony will be forthcoming on other major issues.

I have with me Margo Thompson, the tribal education planner-director.

The Muckleshoot Tribe is requesting that the U.S. House and Senate Appropriations Committee support the Muckleshoot tribal school budget included in the Department of the Interior BIA budget in education in fiscal year 1985. The Muckleshoot Tribe decided to develop our own tribally controlled school, simply because of the continued existing high Indian student dropout rate of 75 percent from the local public schools. The Muckleshoot Tribe submitted an application to the Bureau of Indian Affairs under the authorization contained in Public Law 95-561.

The Muckleshoot Tribe is working cooperatively with the Washington State Office of the Superintendent of Public Instruction and the Bureau of Indian Affairs to develop the tribal school curriculum. The tribe feels that education is essential in order for the tribe to accomplish long-term self-sufficiency.

In a National Government study conducted, results revealed that the American Indian and Alaska Native contained the highest student dropout rates of this Nation at 29.2 percent. In the Northwest States of Oregon, Idaho, and Washington, the Indian dropout rates are as high as 90 percent from the public school system.

We also request that the Department of Interior, Bureau of Indian Affairs, request preschool education funds and that the U.S. Congress appropriate funds at a sufficient level to operate effective programs on the reservation.

The Johnson O'Malley program, under the Bureau of Indian Affairs, requires an external evaluation as an administrative policy. This needs to be funded with additional budget items rather than taking the money from existing programs allocated to each respective program. The JOM programs have not received any increases in funding, even at the minimal increase for the cost of living.

The tribe also opposes the Bureau administrative policies that JOM program funding cannot be utilized by the tribally controlled schools. JOM program appropriations need to receive at least a cost-of-living increase and an additional line item for the external evaluations required by the BIA.

The tribe wants to reiterate the fact that Indian education is considered to be part of the trust responsibility of the Federal Government based on legal treaty language.

The Muckleshoot Tribe's other concern, based on a letter from the National Indian School Board Association, is the Bureau of Indian Affair's intent to reprogram $6 million in education money appropriated by the U.S. Congress to cover the BIA-MIS system expenditures. We are opposing this reprograming.

Forward funding in education is necessary by the Bureau of Indian Affairs to allow Indian tribes and programs sufficient time for planning effective educational service delivery for the children.

Public Law 874, impact aid, serving as a supplemental funding to the public school districts is supported by the Muckleshoot Tribe, as the tribe has for the past 4 to 5 years had an 874 committee made up of tribal council members, parents, community members, and the public school administrative staff. One major criticism is that some of the school districts do not comply with the Federal regulations in 874 impact aid, and we feel that the school district should be mandated to comply with these Federal regulations prior to receiving 874 funding or consideration for stopping the funding until such time as the districts comply.

The Muckleshoot Tribe has the only Indian group home in the State of Washington. This program houses up to 12 youths. We are licensed to provide group care for zero to 17 years.

Part of the program is infant stimulation, positive reinforcement and behavior shaping, recreation, and culturally appropriate events. Education is provided by the local school district and the tribal Head Start Program. Medical and dental care are provided through clinics located on the reservation, and additional health care is provided in the local area.

Counseling and therapeutic service are provided by Indian Health Service.

We also have a parent support group.

Another aspect of our program has to do with Public Law 608. Sufficient appropriations are needed for the effective implementation of Public Law 608, the Indian Child Welfare Act, and funding for 3-year periods rather than the 1 year.

Funds have been previously appropriated by the Senate Appropriations Committee and Public Law 272 needs to be channeled directly to the tribes for the effective implementation of Public Law 608.

Federal regulations for USDA food services, the Older Citizens Act, and title XX should be channeled to the tribes to render these very essential services to tribal members.

Indian education and social service need to obtain the support from the U.S. Congress in order to facilitate the Reagan Indian policy of economic development and reservation self-sufficiency. Tribes need to ensure that children remain within the school systems and receive adequate social services, to achieve the necessary skills.

Indian education is a Government trust obligation, and tribes need to effectively address the high student dropout rates. But, more importantly, we need to create improved conditions for the reservations through investment of education as a viable tool.

To cut appropriations for the tribal education and social services would only serve to perpetuate existing depressed economic conditions on reservations and, therefore, is not consistent with the Federal Government's policy of reservation self-sufficiency.

Thank you.

[The prepared statement follows:]

Prepared Statement of Marie Starr, Muckleshoot Tribal Council Member and Vice-Chairperson, Muckleshoot Tribal School Board

INTRODUCTION

My name is Marie Starr and I'm a Muckleshoot Tribal Council Member and serve as the vice-chairperson on the Muckleshoot Tribal School Board. The Muckleshoot Tribe is located near Auburn, Washington, and my testimony today is focused on Indian Education and Social Services issues of Concern to the Tribe. These issues are not the Tribe's only concern, written testimony will be forthcoming on other major issues impacting the Tribe.

MUCKLESHOOT TRIBAL SCHOOL FACILITY

The Muckleshoot Tribe is requesting the U.S. House and Senate Appropriations Committee to support the "Muckleshoot Tribal School Budget" included in the Department of Interior BIA budget in Education. The Muckleshoot Tribe decided to develop our own tribally controlled school simply because of the continued existing high Indian student drop-out rate at 75% from the local public schools. The Muckleshoot Tribe submitted an application to the Bureau of Indian Affairs under the authorization contained in P.L. 95–561 to implement our own tribal school system within the Tribe.

The Muckleshoot Tribe is working cooperatively with Washington Office of the Supt. of Public Instruction and the BIA to develop the Tribal School Curriculum of a higher standard than the local public schools based on the cognitive styles of minority students. The Tribe has continually placed an investment of time to review both State and National Educational reports impacting educational concerns and have worked diligently to implement all educational programs consistent with reports on Excellence in Education.

High student drop-out rates in educational accomplishments have perpetuated the high tribal unemployment rate of 65%, created the existing poverty living conditions on the reservation, and have impacted the general welfare of the Tribal Community resulting in a poor economic base.

The Muckleshoot Tribe invested in the priority of education on a long term basis to qualify Indian students for employment, create an improved standard of living for the future generations, and render some valuable professional assistance to the Tribe in economic development resources consistent with the Reagan Administration Policy for Indian Reservations. The Tribe feels that education is essential in order for the Tribe to accomplish long term self-sufficiency goals for the Tribe.

TRIBAL EDCUATION OPPORTUNITIES

Problem

The existing low achievement or underachievement and high drop-out rates of Indian students in educational levels perpetuate low standards of living, high unemployment rates, and keeps reservations in a depressed economic condition. In a national government study conducted, verification results revealed that American Indians and Alaska Natives contained the highest student drop-out rates of this nation at 29.2%. In the northwest states of Oregon, Washington, and Idaho, the Indian student drop-out rates are as high as 90% from the public school systems. The United States Congress cannot continue to cut "Indian Education Budgets" and still expect the reservations to improve to any great degree. Education is the key to higher standards of living, higher and qualified employable Indian people, and improved economic development for the reservations in the United States consistent with the Reagan administrative Indian policy.

Recommendations

1. Title XI, Public Law 95-561 Bureau of Indian Affairs Basic Education Formula under ISEF needs to be re-evaluated and funded to Tribally Controlled Schools consistent with 25 CFR, Part 31, Section 39.17, Comparability with Public Schools as contained within the federal regulations.

2. The Muckleshoot Tribe is requesting the U.S. House and Senate Appropriations Committee to support the Muckleshoot Tribal School budget which is contained in the Department of Interior, BIA Education Budget under authorization as contained in P.L. 95-561 in order for the Muckleshoot Tribe to effectively address the 75% Indian student drop-out rate from the local public school systems.

3. Request continuation of Public Law 92-318, Indian Education Act, Title IV. This law serves to improve existing Indian parents and Tribes to become more involved in public school education policy, improve Indian student academic achievements through special tutorial services, helps to effectively address the high Indian student drop-out rates, and most importantly encourage the Tribal Governments to participate in improving the educational standards of Tribal students through public school Indian educational programs. Indian Education budget cuts could only serve to cause damaging effects to the existing active participation of Indian parents, community, tribal governments in the public school systems and perpetuate or increase the existing high Indian student drop-outs from the Public School systems which fluctuate from 43.0% to as high as 90% in the northwest. Reinstatement of P.L. 92-318, the Indian Education Act, Title IV is critical and essential to continue an effective educational effort to encourage Indian parents and Tribes to directly get involved in the Public School Educational systems.

4. Request that the Department of Interior, Bureau of Indian Affairs Education Division request Pre-School Educational Funds and that the U.S. Congressional appropriations fund this imperative program at a sufficient level to operate effective programs on the Reservation that will allow the Indian children the opportunity to enter grade school with some relevant academic achievement which is not received by the children at home if this budget is not sufficiently funded.

5. School Board Training authorized in P.L. 95-561, Title XI needs to receive sufficient funding in order for the Tribal School Board Members to implement effective educational policy decisions for the students, reservation community, and Tribal education departments. School Board training impacts the individual students, family units, and community at large as well as implementation of quality educational program for the tribal government. It is imperative that continued funding be appropriated for school board training consistent with the intent of this law.

6. The Johnson O'Malley program under the Bureau of Indian Affairs required "External Evaluation as an administrative policy mandate" needs to be funded as an additional budget item rather than taking the money from the existing program appropriations allotted to each respective program. The Tribal JOM programs have not received any increase in funding even at a minimum increase in cost of living raises which results does not allow the tribes or schools to hire competitive professional personnel for Indian Education Programs. The Tribe oppose the BIA Administrative Policy that JOM funding cannot be utilized by the Tribally Controlled Schools as a supplemental budget and is requesting that the BIA Administrative Policy be changed to qualify Tribally Controlled Schools to receive JOM funding for Indian students who qualify to receive JOM funding under the BIA educational federal regulations. JOM program appropriations needs to receive at least a cost of living increase and an additional line item for external evaluations required by the BIA or the BIA should consume this cost within their administrative budget by hiring an internal person within the BIA Administration who is qualified to perform such a required JOM program evaluation for program operations.

7. In issue of the U.S. House Indian Education Investigative Report, Tribal Governments have only been afforded the opportunity of effectively addressing Indian Education since enactment of the Indian Self-Determination and Educational Assistance Act (P.L. 93-638) and Title XI (P.L. 95-561) consisting of nine complete years. Tribal Governments are requesting the U.S. Congress to allow sufficient time to Tribally controlled Schools to work towards perfecting their educational systems instead of placing too high an expectation on Tribes to perfect their educational systems when the National Report on "Excellence in Education" has verified that the regular schools who have been functionally operating for over 200 years have still not perfected their educational service delivery.

8. The Tribe wants to reiterate the fact that Indian Education is considered to be a part of the trust responsibility of the federal government based on Legal Treaty Language, subsequent Congressional Indian Education Legislation and U.S. Supreme Court cases who have confirmed that Indian Education is indeed a federal government obligation of the highest responsibility and trust of the highest fiduciary standards.

9. The Muckleshoot Tribe's other concern based on letter from the National Indian School Board Association, is the Bureau of Indian Affair's intent to re-program 6.0 million dollars in Education money appropriated by the U.S. Congress to cover the BIA-MIS system expenditure. Taking Indian Education Funding from the BIA Education budget would serve to further hinder the existing tribal schools who function on a piece-meal basis already under the ISEF Formula. The Tribal School Board would like to oppose the BIA taking 6.0 million dollars from the BIA Education budget and re-programming this money for the MIS costs. The 6.0 million dollar costs for the MIS system operated by the BIA should be requested as a line item in the BIA budget rather than taking funding that is essential to the educational growth of children within this nation. The Muckleshoot Tribal School Board is recommending that the U.S. House and Senate Appropriations Committee Members oppose this re-programming of BIA Education budget funds appropriated by the Committee specifically for Indian Education programming and make sure that the BIA Education funds remain in the education budget as originally intended by the appropriations committees.

10. Forward funding in education is necessary by the Bureau of Indian Affairs to allow Indian Tribes and programs sufficient time for effective planning in Educational service delivery for the children.

11. Educational Assistance to Local Educational Agencies (P.L. 874) serving as supplemental funding to Public School Districts is supported by the Muckleshoot Tribe. Educational efforts have been initiated to render specialized educational services to Indian students by cooperative efforts from the Indian parents, Tribes, and School Districts which is essential for the Tribes active participation and involvement in Education. One major criticism is that some of the School Districts do not comply with the federal regulations in 874 impact aide funding to the district and there are no federal penalties spelled out for the school district when noncompliance is exercised. The School District should be mandated to comply with these federal regulations prior to receiving 874 impact aide funding or consideration for stopping the funding until such time the district complies should be required to insure that Indian parents, tribes, and school districts are working cooperatively as intended by this act.

SOCIAL SERVICES PROGRAMS

Problem

The Reservation social problems have been a known factor since long before federal social services programs started on reservations; however, some of the information has been given national publicity by former Secretary of Interior Watt during his interview of January 18, 1983. This information has been known to the United States Congress for years through testimony by the Tribal governments themselves; however, this is the first time in history that a Secretary of Interior has so blatantly admitted that these existing conditions on the Reservations are the fault of the United States Government. If the Reservation environment of depressed poverty conditions continues to exist, social problems will be perpetuated rather than resolved.

Recommendations

1. Appropriations are needed for the effective implementation of P.L. 608, The Indian Child Welfare Act to insure that the States stop encroaching on Indian custodial rights over Indian children, which results in breaking up Indian extended family units.

2. Funds that have previously been appropriated by the United States Appropriations Committee in Public Law 272 need to be channeled directly to Tribes for the effective implementation of P.L. 608. The Congress needs to direct the United States Department of Health and Human Services to develop federal regulations consistent with P.L. 608, regulations that mandate State Social Services workers to surrender Indian child custodial rights to the appropriate Tribal Governments.

3. Federal Regulations for USDA food services, Older Citizens Act, Title XX and any other social service rendered to the general public needs to specifically state that Indians qualify to receive such services along with other citizens or else direct

funding should be channeled to the Tribes to render these very essential service to the Tribal Members who have a higher rates of depressed conditions on the reservations.

Conclusion

Lack of adequate Indian educational achievement and social service delivery is reflected in the perpetual depressed living conditions, high unemployment rates of Indian individuals, low educational achievements, and poor economic development resource on reservations. Indian Education and social services needs to obtain support from the United States Congress in order to facilitate the Reagan Indian Policy of Economic Development and Reservation self-sufficiency. Tribes need to insure that children remain within the school systems and receive adequate social services, to achieve the necessary skills to become a productive person for the reservation as well as allow the student the opportunity to become employable and competitive in the outside pluralistic society. Indian Education is a government trust obligation and Tribes need to effectively address the high Indian student drop-out rates suffered within the reservations not only to produce productive citizens, but to more importantly create improved conditions for the reservations through investment of education as a viable tool. I thank you for taking the time. To cut appropriations for Tribal Education and social services would only serve to perpetuate existing depressed economic conditions on reservations and is therefore not consistent with the federal government's stated policy of Reservation self-sufficiency.

Mr. ALEXANDER. Thank you.

I would like to note that the issue of the reprograming that you raised about the $6 million was raised this morning with the Assistant Secretary, and I believe that there should be a decision coming out of the administration in about a week to 10 days on how they are going to get those funds and whether they are going to ask for a supplemental. I suppect they will be asking for a supplemental for a large portion of it.

Another thing is that the committee has on its agenda for April an oversight hearing on the Indian Child Welfare Act. I noticed that a number of your recommendations go to the implementation of that act, and you do run one of the only group homes in the State of Washington.

Ms. STARR. Yes.

Mr. ALEXANDER. We would be interested in contacting you at that time for more input.

Thank you for coming today. We appreciate it.

Ms. STARR. Thank you.

Mr. ALEXANDER. Is Jack Norman here?

Do we have anyone from the Oglala Sioux Tribe currently?

Elwood Patawa.

Please identify yourself for the record and the gentleman accompanying you.

STATEMENT OF ELWOOD H. PATAWA, CHAIRMAN OF THE BOARD OF TRUSTEES, CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION, PENDLETON, OR, ACCOMPANIED BY LARRY DELPLANCHE, TRIBAL CONTROLLER

Mr. PATAWA. Yes, Mr. Chairman.

My name is Elwood Patawa, and I am the chairman of the board of trustees for the Confederated Tribes of the Umatilla Indian Reservation in Pendleton, OR. Accompanying me today is Larry Delplanche, who is the controller for the tribe.

I would like to take this opportunity to thank the committee for allowing me to testify on behalf of my tribe.

One of the things I would like to point out is that I will only be sharing some general concerns with the committee today, as to date, we have not received our appropriations, so we have no specifics on the budgetary concerns.

First of all, the Confederated Tribes of the Umatilla Indian Reservation believe there is a need to continue the Senate Select Committee on Indian Affairs to address problems related to Indian country.

Mr. ALEXANDER. We appreciate that.

Mr. PATAWA. Due to funding delays caused by the continuing resolution, late signing, and awards of contracts and grants and letters of credit, small reservations still developing their economic bases are unable to continue programs and meet payrolls. Whatever funds are reserved for investments into the economy have and will continue to be liquidated in order to keep departments and programs in operation.

Programs are slow to start. Services cannot be delivered in a timely manner, and funds are not spent to meet the contract deliverables. The community as a whole suffers, and the governing body, is frustrating and unable to proceed with the decisionmaking process.

Some concerns we have under education and training are these: the Umatilla Indian Reservation continues to suffer from cuts in all areas of human services programs. These budget cuts have resulted in reductions in staff and services at the tribal level for the second straight year and are compounded by the fact that the tribes over the past 10 years have undergone very significant population and social changes.

The area of education was especially hard hit by budget reductions. Overall, the budget reduction affected 18 to 22 full-time personnel and trainees, plus reduction or elimination of services to an additional 35 to 40 students in the adult education program; 14 students in the higher education scholarship program; 113 elementary and secondary students; our Cay-Uma-Wa preschool program; and 11 trainees in the CETA or JTPA programs. So that was a total of 231 to 250 individuals, including staff and students, who have been reduced or eliminated services.

There are a number of concerns about our tribal reservation economic needs. The continuation and expansion of the following programs are a necessity to allow tribes to develop their own resource base and attract outside industry to locate on the reservation. The stated Federal programs are: the Housing and Urban Development's Community Development Block Grants and Urban Development Action Grants; the Bureau of Indian Affair's Economic Development Administration's revolving loan and grant program; the Farmers Home Loan's rural infrastructure development loans; and rural farm purchase loan programs.

The tribes are also in need of professional technical assistance to help finance essential tribal governmental services through the development of the Tax Codes, and the tribe requires the continuation or clarification of the Indian Tax Status Act.

Concerns in our law enforcement program, specifically our Umatilla Tribal Police Department: The department began its initial operation in February of 1981 after cooperative planning arrangements were made with local and State law enforcement agencies, the Bureau of Indian Affairs, and Governor Atiyeh of the State of Oregon. Partial retrocession of Public Law 280 was signed by the above entities on January 1, 1981.

Without all parties coordinating efforts from the congressional to the Bureau of Indian Affairs, to the local tribal programs, serious problems arise and in most cases the tribes bear the liabilities.

Major liabilities include but are not limited to:

No. 1, the threat to the public health, safety, and welfare; No. 2, loss of morale and stability within the department; No. 3, inability to fulfill contractual requirements; No. 4, loss of integrity in the eyes of the community; No. 5, failure to assist non-Indian police departments in the region in a cooperative and coordinated manner; and the objective of the Confederated Tribes of the Umatilla Indian Reservation to establish a funding base of $421,000 for the fiscal year 1984, and that fiscal year being October 1 to September 30 of each year.

At this time I would ask my colleague to perhaps give a little more background on the tribal police department, and he also has one more area of concern he would like to share.

STATEMENT OF LARRY DELPLANCHE, TRIBAL CONTROLLER, CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION, PENDLETON, OR

Mr. **Delplanche**. Mr. Chairman, over the past several years or since the inception of our law enforcement program on the reservation, we have had a number of problems relating to funding of the program.

The initial budgets that were proposed for the operation of the law enforcement programs were about $421,000. As I recall, our first year we received about $176,000. Consequently, the tribe went into an overexpenditure because of startup costs and other costs associated with that program.

The past year we went through basically the same problem. We have been assured that we would receive a funding base of $421,000, and we continue to have problems.

Right now we have a contract for $246,000. We have a carryover from last year of $49,000, which has not yet been approved for expenditure in the current fiscal year. We continue to suffer.

There is quite a morale problem within our law enforcement program right now. It is very hard to get the patrol people to stay employed. They are constantly worried about their position.

We have a situation right now that we have positions that are unfilled currently because we cannot determine how much money we are actually going to get for this year.

What we really need is a $175,000 supplement to the $246,000. We have been told that we will get some money; we are not sure how much yet.

We have an indication right now that we are going to have to terminate about four of our law enforcement personnel, turn in some of the patrol vehicles, cut back on spending for training. Then we are assured that perhaps for 1985 we will get the $426,000.

We do not understand the need to terminate all of these people, turn in the supplies and materials, and then start up a new program again in fiscal year 1985. That is our concern as far as law enforcement goes.

Mr. **Alexander**. Is the $246,000 the total budget or was that a 75-percent allocation?

Mr. **Delplanche**. As I understand, that is our total contract of the year, as it stands.

Mr. **Alexander**. Are there any tribal funds to supplement the contract?

Mr. **Delplanche**. No. You must understand the Umatillas are a very small tribe without an economic base of timber or coal or gas or oil.

Also, we would like to address specifically, because you brought this up before—you had a question or two on it to the other tribe that was up here—contract support.

We have attended a workshop in Spokane, WA, pertaining to the new concept of allocating contracts support or indirect dollars. There is a need for a change in the system right now.

One of the things, this past year we got a 95-percent allocation of contract support because of shortfalls within the Bureau.

We also initiated a claim against the Bureau to try to recover those dollars, because under the Office of Inspector General, their audit procedures—the thing the tribes get caught with is this assumption that the tribes have collected all of those contract support dollars.

As contracts are cut or the funding is reduced, you still have the need for administrative costs. It costs as much to administer $1,500,000 worth of programs as it costs to administer $1,200,000. So if there is a fixed rate that is established, whether it be 15 percent or some historical figure based upon the tribe's prior indirect cost rates, the tribes are going to come up short again.

The tribe I work for right now, over the past couple of years has been improving their management systems. Currently, we are looking at our next step, which is going to be the acquisition of computer equipment. If there is a fixed rate, there is really no way the tribe is going to proceed in improving those systems.

If we are given a fixed rate of 15 percent and contracts and grants are reduced, there is no way that the tribe is going to be able to go out and acquire the equipment to improve those systems.

In closing, I would like to address the sunset provisions for the Indian Tax Status Act. I would like to go back to about 6 months ago. The tribe had an opportunity to locate on the reservation a glass manufacturing company. That company was in a position to invest $85 million on the reservation to help develop an economic base. As I recall, there were about 250 to 300 jobs that would have been involved with the relocation of that company.

We knew about the Indian Tax Status Act. We had attended several seminars on it, but we had no technical assistance whatsoever to implement any of the provisions of that act.

So we are asking that the Indian Tax Status Act be continued, and that also, as a continuation of that act, that some technical assistance moneys be available to the tribes.

Mr. **Alexander**. Have you received a questionnaire from Senator Andrews and Senator Wallop concerning the Indian Tax Status Act in the last month or so?

Mr. **Delplanche**. I believe we have, yes.

Mr. **Alexander**. Could you make sure that the information which you just testified is on that form? As you may know, Senator Andrews introduced, for the administration, reauthorization of the Tax Status Act, and we are very interested in following through on that issue and making sure that gets into the mix before Senator Wallop's committee when it is processed.

Mr. **Delplanche**. I believe we have returned that.

Mr. **Alexander**. Fine.

I have just one question for your colleague.

I believe you mentioned the prekindergarten program in your testimony.

Mr. **Patawa**. Preschool program.

Mr. **Alexander**. In the Bureau's budget this year that program is again terminated for funding, and the justification states that it should be able to be picked up under other programs. What would you do if the funding for that program were terminated?

Mr. **Patawa**. It has been terminated on our reservation.

Mr. **Alexander**. It has now been terminated?

Mr. **Patawa**. Yes, and we do not have a program.

Mr. **Alexander**. Were you able to pick up anything under Head Start funds?

Mr. **Patawa**. No. We were advised, I believe, at a late date and were unable to meet the time line to submit an application. We have lost the program completely and all of our employees. We have a facility that is sitting there. We are working on it, but that is about all.

Mr. **Alexander**. Is there any other program—county, State, or what have you—that is providing similar or like services to the Indian children who attended your program?

Mr. **Patawa**. Let me back up. If I remember correctly, I think application has been submitted to Head Start, but I do not have any assurance as to when the next funding cycle is or whether we are even going to be eligible.

Mr. **Alexander**. What was your experience with that program? What kind of benefits did it provide to the students?

Mr. **Patawa**. I will refer that over here.

Mr. **Delplanche**. We have with us another report that we were taking to our congressional delegation. It covers the benefits of that early childhood program on the reservation. There were some very significant improvements within the educational levels.

I do not believe we have a copy of that report with us, but I can see that you receive a copy of it.

Mr. **Alexander**. We would be pleased to receive it for the record.

Mr. **Delplanche**. In the preschool group, which is broken down by age groups, we had increases from 1 to 1½ years of steps in testing levels. That preschool program was under the title IV, part (b) or (c); I forget which it was.

However, a year ago the grant application that the Umatilla Tribe submitted was ranked No. 1. This year when we submitted that program, we did not even rank with it.

Also, under the grant regulations there was no process for appeal, so we were not even able to find out why our grant application did not even come up to the minimum amount of programs that were funded.

We will make available to you a copy of that report.

Mr. Chairman, I have one copy with me.

Mr. **Alexander**. Thank you.

The funding that you had for your early childhood program or your preschool program, was that Department of Education funding or was it Bureau of Indian Affairs funding?

Mr. **Delplanche**. Department of Education. They have no program under the BIA for early childhood development.

Mr. **Alexander**. They will be testifying before us on Thursday. I would appreciate looking at that beforehand.

Thank you very much for coming today and sharing your information with us.

[The statements follow:]

EARLY CHILDHOOD EDUCATION: IMPACT STATEMENT

Submitted by Larry Delplanche, Tribal Controller,
Confederated Tribes of the Umatilla Indian Reservation

Education is a primary factor in the Social and Economic Development for any population. Current growth of the Umatilla Tribe toward realization of self-determination (Tribal Management, Economic Development, Training and Employment and programs under the Tribal Health and Welfare Board) has reinforced more than ever the need for support services of a comprehensive Early Education Program that will maximize the development of Indian youth on the reservation and provide for the vital first link in the chain of the educational process.

As a result of extensive study, the Confederated Tribes of the Umatilla Indian Reservation Education Board has identified a two-fold need: the need for instructional services at an early age, and the need for curriculum that incorporates tribal values and pattern of learning directly into the instructional design. Pre School preparation was identified as an important measure for preventing future academic difficulties. The research of Bruner, Kagan and White asserts that "... the development of the basic skills of language, problem solving, coping, perception and coordination before the age of five make the difference between children who can interact positively with the environment and these who cannot ..."

The situation in which reservation children has existed has not been one conducive to successful functioning in the public school system. Contributing factors are (1) the geographic and social separation of the reservation and the Public school systems, (2) family conditions and home environment impacted variously by working parents, alcohol and drug related problems, broken homes, poverty, disinterest in and/or lack of education. This problem is compounded by the fact that over the last ten years, between 1970 and 1980 the Reservation has undergone significant population and social changes. During this period the tribe experienced a 78% population growth and concentrated housing developments, resulting in social change in family structures.

Budget reductions have resulted in the total elimanation of the tribal pre school program. A comparative Study Report prepared by Margaret Rodgers in May 1982 revealed the need for an Early Education Program. The testing was conducted between January 1982 - May 1982 at the Tribal Cay-Uma-Wa Preschool Program for children ages 3-6 years. Initial testing revealed that the majority of the students entered the program functioning below their chronological age. Overall findings of the study revealed that the functional level of the students increased with the number of years in attendance at the preschool. During the first year 3% of the students were above their chronological age, during the second year this number increased by 5% to an 8% total. The third year showed the most dramatic increase (19%) to 27% who were either equivalent to or above their chronological age.

Of the 31 3-test students tested, 49% or 15 students gained 8 months or more. The range of gain ranged from 8 months to 2 years - 2 months. 51% or 16 students gained less than 8 months (from 1 month to 6 months), remained static or showed losses of 4 and 11 months. Individual age groups and test results are listed below:

Age 3

- After 8 months attendance overall an average increase of one year two months was computed.
- Average chronological age 3 years eight months.
- Highest gain: 2 years 2 months in motor skills
- Least gain: 1 year in Communication
- Overall gain: 1 year 2 months
- Overall average: 6 months over the average chronological age.

- New Students: averaged 10 months below average chronological age of 3 years 4 months.

Age 4

- Average Age: 4 years 6 months.
- Overall increase: 10 months.
- Highest gain: 2 years 2 months in self sufficiency.
- Largest individual loss: 2 months in Communication.
- Overall average score: (4-5) for May, 1982 is one month below the average chronological age.
- Of the twelve tested 7 (58%) scored below their chronological age and 5 (42%) were on target or above.
- Range of scoring: Below chronological age - 1 month to 1 year 3 months On target or above - 0 to 1 year 5 months.

Age 5

- Average Age: 5 years 4 months.
- Overall increase in scores: 7 months.
- Highest gain: 2 years (by 3 students in: 1 in communication and 2 in self-sufficiency)
- Overall average score for May, 1982 (4 years 7 months) is nine months below the average chronological age of 5 years 4 months.
- Of 13 students with multiple testings, 77% (10 students) scored below chronological age. These scores ranged from 3 months to 1 year 11 months below the chronological age.
- 23% (3) of the students scored on target or above chronological age. The range was from 1 month to 5 months.
- 9 students (69%) gained 4 months and/or over during the 4 months period to May, 1982.
- 5 students (31%) gained less than the 4 months contained in the teaching period.

Age 6 & 7

- Average age: 6 years 4 months, 8 months below the average chronological age.
- Highest gain: 2 years 9 months in communication skills.
- Least gain: one month in motor skills.
- New students: scored 1 year below chronological age (6 years 4 months / 5 years 8 months)
- Overall average gain: 1 year 1 month.
- 18% (2 students) of this age group were on target or above.
- 82% (9 students) were below chronological age from 2 months to 2 years 2 months.
- Two students made no gains, no losses.
- Nine students gained over 4 months during the test period 1/82 - 5/82.
- Range of gain: 6 months to 1 year 2 months.

Without the basic skills and measure of self assurance evolving from positive social experiences and cultural pride, the children of the tribes enter the public school system with definite disadvantages.

The Umatilla Indian Reservation is presently served by three public school districts: Pendleton, Athena-Weston, and Pilot Rock. The geographic distribution

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of the reservation population has mandated that the majority of the student population attend Pendleton School District 16-R of which comprises 7% of the student population.

While the number of Indian students who are of school age but not enrolled is unknown, drop-out rate information verifies a considerable and growing out-of-school population. A six year analysis of the student drop-out rate for Pendleton High School between 1974-75 to 1979-81 shows an average drop-out rate of 22.6%. This figure is significant since 42% of the Confederated Tribes of the Umatilla Indian Reservation population is under the age of 17.

The 1970 census: years of school completed reveals that the number of Indian adults (25 and over) which had completed eleven year or less is one hundred seventy five (175%) percent greater than the number of Indian adults who completed twelve (12) years or more of school. Although the 1970 census has determined the median school years completed to be 11.1 years on the Umatilla Indian Reservation, this does not necessarily indicate that the functional literacy level is equivalent to the 11th grade.

Under achievement at the early age contributes to the high drop-out rate and is compounded in the later years as the individuals move into the labor market and become part of the community. Today 42% of the Confederated Tribes of the Umatilla Indian Reservation population have income below the poverty level and are experiencing a 45% unemployment rate. The need for improved skills levels are evident but the educational process must begin at an early age to provide the vital first link in a life long learning process.

The Goal of the Confederated Tribes of the Umatilla Indian Reservation is to obtain Funding of $180,000 to continue the Pre-School Program within the boundries of the Reservation

CONFEDERATED TRIBES
of the
Umatilla Indian Reservation
P.O. Box 638
PENDLETON, OREGON 97801
Area Code (503) Phone 276-3165

February 21, 1984

U.S. Senate
Senate Select Committee on Indian Affairs

Dear Mr. Chairman and Members of the Committee:

My name is Elwood H. Patawa, Chairman of the Board of Trustees for the Confederated Tribes of the Umatilla Indian Reservation, Post Office Box 638, Pendleton, Oregon 97801.

I am hand delivering a narrative packet to you today that reflects the problem areas and the needs of the Umatilla Indian Reservation. The packet does not reflect any budgetary dollar amounts since we have no knowledge of the appropriations at this time. However, the Umatilla Tribe will submit specific recommendations to the Senate Select Committee on Indian Affairs on or before April 1, 1984. At that time, we shall make the same information available to you and your staff so that you will know our position on specific budgets and the agencies that administer the funds on your behalf.

Your favorable review and consideration of this packet will be greatly appreciated.

Sincerely,

Confederated Tribes of the
Umatilla Indian Reservation

Elwood H. Patawa
Elwood H. Patawa, Chairman
Board of Trustees

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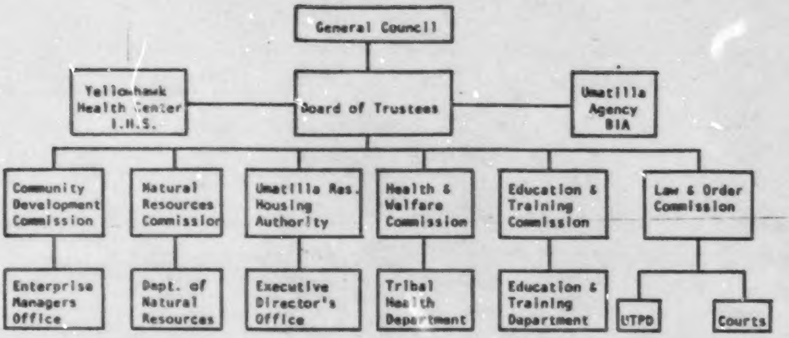
General Council
Yellowhawk Health Center I.H.S.
Board of Trustees
Umatilla Agency BIA
Community Development Commission
Natural Resources Commission
Umatilla Res. Housing Authority
Health & Welfare Commission
Education & Training Commission
Law & Order Commission
Enterprise Managers Office
Dept. of Natural Resources
Executive Director's Office
Tribal Health Department
Education & Training Department
UTPD
Courts

The above general overview of the tribal operation is financed by federal/tribal dollars at the department. levels and the Commission levels are totally funded by tribal cash. In addition the Commissions are chaired by one member of the Board of Trustees while the balance of the Commission membership is filled by General Council members.

EXHIBIT II.

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TRIBAL GOVERNMENT/TRIBAL ADMINISTRATION:

The Confederated Tribes of the Umatilla Indian Reservation believes there is a need to continue the Senates Select Committee on Indian Affairs to address problems related to Indian Country.

Delays in the Tribe receiving advice on tentatives and allotments delays the Tribal Planning process. Programs are slow to start, services to the community cannot be delivered in a timely manner and funds are not spent to meet the contract deliverables. The community as a whole suffers and the governing body is frustrated and unable to proceed with the decision making process.

This Tribe is very much aware of the needs within the reservation. To date there has been no advice of reductions in budgets for F.Y. 84 (we have been advised there will be some), or been made aware of F.Y.85 tentatives, therefore we are unable to address Tribal Program needs at this time. The offset to this would be an improved System of Budgeting, appropriating and dissemination of information.

Continuing Resolutions, funding delays, the signing and award of grants, contracts, and Letters of Credit cannot be processed or are delayed. Small reservations still developing their economic bases are unable to continue programs and meet payrolls. Whatever funds are reserved for investments into the economy have and will continue to be liquidated in order to keep departments and programs in operation.

EDUCATION AND TRAINING:

The Confederated Tribes of the Umatilla Indian Reservation's continue to suffer from cuts in all areas of human service programs. These budget cuts have resulted in reductions in staff and services at the Tribal level for the second straight year and are compounded by the fact that the Tribes over the past ten years has undergone very significant population and social changes. The area of Education was especially hit hard by budget reductions. The Confederated Tribes of the Umatilla Indian Reservation through Comprehensive Plan adopted by the Board of Trustees Resolution No. 80-4, November 27, 1979 prioritized Education and Training as the primary unmet need.

Education is a primary factor in the social and economic development for any population. The Tribes suffered major reduction in the field of Education and Training funds. The F.Y. 83 base was $542,645.00 and ultimately reduced to $263,465.00 in F.Y. 84, a reduction of $384,497.00 or overall reduction of 51%. Programs impacted and level of reduction include: Adult Education, 23%; Higher Education Scholarships, 20%; Johnson O'Malley (Elementary and Secondary Education) 10%; Cay-Uma-Wa, 100%; CETA/JTPA, 61%; plus an additional loss of $45,317.00 in service administration. Overall, the budget reduction affected 18 to 22 full time personnel and trainees plus reduction or elimination of services to an additional: 35 or 40 students in the Adult Education Program; 14 students in the higher education scholarship; 113 elementary/secondary students in the Cay-Uma-Wa Program and 11 trainees in the CETA or JTPA Program. A total of 231 to 250 individuals including staff and students have reduced or eliminated services.

TRIBAL RESERVATION ECONOMIC NEEDS:

The potential Indian Labor Force (16 years and over excluding students and disabled) shows an unemployment rate of 45% for 1983. Of this group, the largest segment of Indian population experiencing unemployment is in the 16-34 year age group as determined by the current Oregon State Unemployment Claims Statistics.

Indian Tribes accross the country have not possessed the Traditional manufacturing base from which to employ the majority of its labor force. Tribes today which possess developable natural resources are not in the position to process or manufacture their own raw materials that were extracted (i.e., coal, gas, minerals, timber crops,) from their reservation by non-Indian owned business.

The continuation and expansion of the following programs are a necessity to allow Tribes to develop their own resource base and attract outside industry to locate on the reservation. The stated Federal programs are: Housing and Urban Development's Community Development Block Grants and Urban Development Action Grants, Bureau of Indian Affair's Economic Development Administration's revolving loan and grant program, Farmers Home Loan's rural infrastructure development loans, and rural farm purchase loan programs.

The Tribes are also in need of professional technical assistance in the areas of business planning and finance.

To help finance essential Tribal Governmental services through the development of tax codes, the Tribes require the continuation and/or clarification of the Indian Tax Status Act.

NATURAL RESOURCES:

The Confederated Tribes of the Umatilla Indian Reservation recognizes that proper management and conservation of Natural Resources are vitally important to enhancing the Tribes' political integrity, protecting the health and safety of the reservation community, and to promoting the orderly development of the reservation and regional economies . The Tribe has two levels of responsibility regarding the management of natural resources. On the 246,000 acre reservation, the Tribe has primary responsibility for management of the land, water, fish, and wildlife resources. In the Tribes ceded boundary which encompasses about 6 million acres of private, state, and Federal lands in Oregon and Washington, the Tribes objective is to protect its reserved Treaty Rights by participating in the decision making process of the appropriate jurisdictions. The Tribes' goal is to continue to build its capability to to manage on-reservation resources and to protect its reserved rights. The following list summarizes the Tribes dual operations in resource management.

FISHERIES DEVELOPMENT:

The Umatilla River and Yakima River have been designated by all agencies in the Columbia Basin as the primary streams slated for Anadromous Fish Enhancement Programs under the Fish and Wildlife Program authorized under the Northwest Electric Power Planning and Conservation Act.

LAND USE PLANNING:

Is to be carried out and coordinated with States, 14 counties and a myriad of municipalities, and Federal and state agencies. Major areas of concern are watershed Protection, archeological/historical, transportation, energy, economics, wildlife inventories and fishery development.

On the reservation the Tribes seek to maintain the integrity of all resources by implementing and enacting codes, gathering and using data to formulate needed data to aid its decision making capability. The Tribes are contacted on a daily basis for technical assistance by the public and private sector as well as numerous governmental agencies.

UMATILLA TRIBAL POLICE DEPARTMENT

The Department began its initial operation February of 1981 after cooperative planning arrangements were made with local and state law enforcement agencies, the Bureau of Indian Affairs, and Governor Atiyeh, of the State of Oregon. Partial retrocession of Public Law 280 was signed by the above entities on January 1, 1981.

The Department operates its Program under regulations perscribed by 68 BIAM and goals, objectives, Statements of Work, and budgets approved by the Tribal Board of Trustees annual planning cycle. While Tribal Government has greatly improved its capabilities to manage finances and personnel, there is still a need for the Federal bureaucracy and Congress to appropriate funding on a timely basis.

Without all parties coordinating efforts from the Congressional to the Bureau of Indian Affairs to the local Tribal programs, serious problems arise and in most cases the Trib bears the liabilities.

Major liabilities include but are not limited to:

1. Threat to the public health, safety, and welfare
2. Loss of morale and stability within the Department
3. Inability to fulfill contractual requirements
4. Loss of integrity in the eyes of the community
5. Failure to assist non-Indian Police Departments in the region in a cooperative and coordindated manner.
6. Drains on financial assets of the Tribes and subsequent loss of revenues needed to develop the Reservation economy.

7. Continual confusion from an administrative standpoint resulting from budget deficits and carry-overs due to late delivery of "Letters of Credit" and contract awards with insufficient funding.

The objective of the Confederated Tribes of the Umatilla Indian Reservation is to establish a funding base of $421,000.00 for the Fiscal Year 1984. The Fiscal Year being October 1 to September 30, of each year.

RESERVATION HOUSING:

The Umatilla Indian Reservation between 1970 - 1980 experienced a 73% resident Indian population and 34% non-Indian population growth. Overall population increase during this period was 45%. During the same period the Reservation also experienced a 54.5% housing growth. Of the total 879 housing units on the Reservation, 29.% were built between 1970 - 1974 and 23.7% were built during the period 1974 to March 1980. A housing inventory of Indian homes within Reseration boundaries was conducted during F.Y. 81 by the Umatilla Indian Reservation Housing Authority. Of the total 352 Indian homes presently occupied, 21% of the homes were considered substandard units. The majority of Indians and non-Indian housing is concentrated in the Mission Basin, however continued development in Indian housing is limited to buildable lots. Problems encountered are multiple land ownerships compounded by the fact that 42% of the Indian population have income determined below the poverty level and have insufficient funds which restricts their housing choices to low income, Tribal housing, or multiple family housing. Average persons per household for Indian families below poverty level is 69% greater than Indian families above poverty level. Present housing addressess only family units with no consideration for single persons or couples without children. This problem is significant since between 1970 - 1980 the Reservation has undergone a median population age shift 15.1 to 23.2 a difference of 8.1 years. These persons are now in need of individual housing as projected population trends indicate an increasing need over the next 10 years.

Infrastructure for concentrated housing developments is limited or non existant. Only 32% of the total reservation housing is on a Public Water System and 18% on Public Sewer. The remaining 68% housing units rely on individual well sources; and 77% septic tank/ cesspool systems and 4% other waste disposal means.

Mr. ALEXANDER. Now we are going to hear from the American Indian Higher Education Consortium, including several of the colleges. John Windy Boy is the president of that consortium, and I believe we have Lionel Bordeaux and Dean Jackson. Did I omit anyone?

STATEMENT OF JANINE PEASE WINDY BOY, PRESIDENT, AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM, ACCOMPANIED BY LIONEL BORDEAUX, PRESIDENT, SINTE-GLESKA COLLEGE; DAVID BEAULIEU, VICE PRESIDENT, SINTE-GLESKA COLLEGE; AND DEAN C. JACKSON, PRESIDENT, NAVAJO COMMUNITY COLLEGE, TSAILE, AZ

Ms. WINDY BOY. The name is Janine Pease Windy Boy.

This is the testimony of the American Indian Higher Education Consortium. I am president of the consortium this year, and I am president of Little Big Horn College, serving the Crow Indians.

With me I have Dean Jackson. Dean is the president at Navajo Community College. Lionel Bordeaux is president of Sinte-Gleska College, and David Beaulieu, the vice president from Sinte-Gleska.

The American Indian Higher Education Consortium is an organization of 19 tribally controlled colleges. We have colleges that range in age from 2 years to 15 years of age. Among them there are four that have achieved full accreditation. There are eight others in the process that have achieved candidacy, and the remainder are in progressive stages of development toward accreditation.

We have received much-needed fiscal support through Public Law 95-471, as amended by Public Law 98-192.

We would like to call to your attention several areas concerning current appropriations and appropriations that are now under consideration for fiscal year 1985 and fiscal year 1986.

With regard to fiscal year 1984, we find that the current appropriation level of $6.44 million falls far short of the need that we have to support our full-time equivalencies. It has been our experience, and an optimistic one, to find that our enrollments have increased immensely. What that does, however, is shrink the earning value in each FTE. At the current level, based on the fall FTE, our allocation comes down to $2,500. We anticipated in our budgeting process that we would have a support per FTE of $2,812. For some of us, it has meant in the last week that our contracts have been amended down, despite increases in enrollment, this much to the distress of our colleges because it has meant a decrease of $300 per FTE for each college.

We would like to note, then, that we are in dire need of supplemental appropriations for the current fiscal year. Our colleges have submitted what they see as projected enrollment levels, and those fall in the neighborhood of 2,698. The Bureau is looking at funding no more than $2,500, as listed in their proposed budget. In other words, what we need is $1.1 million in supplemental funds if we are able to maintain our FTE support at $2,812.

We really would like to note, too, that in the Bureau testimony earlier they stated that the fall FTE count is the highest during the year. In the experience of all of the tribal colleges, without exception, the fall is seldom ever the highest FTE in any one Fiscal Year.

In leading into my remarks on fiscal year 1985 and 1986, I would like to point out several aspects of the amendment that affect appropriations.

The first one is Indian student count. This changes the method of counting student credit hours, and it results in a count that is 10 percent to 15 percent more than the previous counting method.

Second, I would like to point out forward funding—up to now we have not enjoyed knowing how much appropriations we can plan for during any fiscal period, and forward funding would provide us with a year's advance knowledge for planning and overall stability.

It has been our experience that we have had to expend dollars for costly loan interest charges in waiting for BIA checks, and we are hopeful that this process will alleviate that responsibility on our part.

A third area is in regard to the General Services Administration study of college facilities to determine the need for construction, also grants of construction to fully accredited colleges, and, finally, the endowment section, title III of the law, which establishes a program of endowments. All of those have impacts on the appropriations areas that we see.

In fiscal year 1984, the title I colleges project an enrollment of 3,100 Indian student counts and would like to recommend that appropriation levels be at a bare minimum of $3,000 per Indian student count. That brings us to the requested level that you might consider in appropriations for $9,300,000 for the operational grants for title I colleges.

The second consideration is in construction, that there be money to support the GSA study, an approximate level of $250,000 be appropriated for that.

Technical assistance is another area. Our interest is to receive $75 per Indian student count, which comes to a total of $232,500.

Finally, for title III endowments, we have contacted our member colleges and asked them to anticipate endowment contributions, and that endowment contribution does come to the need for $1,500,000 for fiscal year 1985.

I would like to call your attention to the fact that the budget presented by the President projects FTE's at 2,549. This number is less than we currently have for the FTE count for fall, and have already pointed out to you that fall is not the highest enrollment. Our average for the year will be much higher.

Also, the administration's fiscal year 1985 request comes in at $2,390, which is considerably less than we need. This particular level represents about half what BIA is recommending for the BIA-supported post-secondary schools, and places us 51st in the States of the United States for State-supported institutions, which is not at all a proud position to hold.

Mr. ALEXANDER. Were you here earlier when Senator Melcher questioned the BIA witnesses about the FTE counts and the amounts?

Ms. WINDY BOY. Yes, I heard that exchange.

Mr. ALEXANDER. Do you have any views on the accuracy of the information provided by the Bureau?

Ms. WINDY BOY. They are inaccurate. If they were to have checked even the materials that we have submitted on an official basis for FTE counts over the past few years and the current year, their information varies from those. I do not know where they are getting their estimates. It is a guesstimate. It is somebody's own area. They have not consulted the official information that we have submitted.

We have compiled our data from that, and we feel that it is very hard based.

Mr. ALEXANDER. Thank you.

Ms. WINDY BOY. In regard to fiscal year 1986, this is included in the appropriations process because of the forward funding provision in Public Law 98-192. So we do submit fiscal year 1986 due to that requirement.

In the area of title I operational grants, we are looking to find 3,565 Indian student counts enrollment, and would recommend that the level of appropriations per Indian student count be at $3,200, so that the total needed to support title I colleges would be $11.4 million.

In construction, this would be a major area of concern because the excellence achieved by many of our tribal colleges—there are nine among those funded by title I that we anticipate will have achieved full accreditation by that fiscal year. That would make them eligible for construction funds. We list that as $10 million needed.

In technical assistance, at a similar basis, $75 per Indian student count, $267,375 is needed.

Finally, in the endowments, a like amount as in fiscal year 1985 is needed, $1.5 million.

We would really like to point out the discrepancy of information presented by the colleges as to that submitted by the Bureau. We are closest to the data. Our data is submitted to the Bureau, if they wish to consult in preparation of the materials they are submitting for the appropriations process, we urge them to do so. Apparently, they have not chosen to do so.

We would like to point out that there are major discrepancies in those two sources of data.

Mr. ALEXANDER. The data that you referred to earlier that would demonstrate that you are 51st out of 50, could we have that for the record?

Ms WINDY BOY. Yes.

Mr. ALEXANDER. Thank you.

Ms. WINDY BOY. That data does come from the chronicle on higher education. That particular data is 2 years old, so I expect if there were 53 States, we would be 54th, or so on down the line.

Mr. ALEXANDER. Guam and Puerto Rico.

Ms. WINDY BOY. The second part of our testimony was prepared by Wayne Stein, the president of Standing Rock College.

It briefly points out some of the outcome that we have experienced in several of the tribal colleges. The American Indian Higher Education Consortium has done a sample of five tribally controlled colleges located in Montana, North Dakota, and South Dakota to measure the outcome of its services to students. This measurement is focused on hard data and reflects what has been done on the reservation in terms of human resource development.

The information that we have been able to find out shows that, among those colleges that were sampled, there are 670 graduates over a period of 1973 to 1983. The number of 1984 graduates is anticipated at 184.

Among those colleges, there are a number of graduates who have transferred to 4-year institutions. About 4 percent of all of those who have graduated successfully transferred. The number of transfers graduating from 4-year schools, actually completing baccalaureate programs, is 85 percent.

In North Dakota there has been a remarkable track record. They have done a special effort in terms of tracking their students. This compares to the record of the dropout rate in the greater State institutions and universities, which is a dropout rate of about 80 to 90 percent. So we have a major outcome, I think it is important to note there.

Also, we would like to note that the graduates employed after they graduate from the tribal colleges—73 percent of those graduates are employed, in an environment which we find is an average of 78 percent unemployment. Our graduates are joining the working force despite the working conditions.

The second part of this testimony will be presented by Lionel Bordeaux from Sinte-Gleska College.

STATEMENT OF LIONEL R. BORDEAUX, PRESIDENT, SINTE-GLESKA COLLEGE, ROSEBUD, SD

Mr. **Bordeaux**. I just want to take a few minutes. I am not going to hit upon any of the technical points that Ms. Janine Windy Boy has hit upon.

First of all, I want to extend my appreciation to the committee for their years of effort in helping us get the reauthorization of the Indian college bill. I thank you.

What I want to say, I guess, basically is molded from my experience of having lived on Rosebud 11 years as president of Sinte-Gleska College and having served 3 terms on the tribal council, 6 years in total.

What I see these Indian colleges doing is just an unbelievable turnaround, when I see them taking people off the streets who at one time basically had no place else to go.

Sometime, if you ever get the money or if you get an opportunity to come out and visit these sites, I think you would really be amazed to see the breadth of age of our students who are attending these schools.

What I see happening with Indian colleges as we sit here and we attempt to plan for the future, is principally in two particular areas; it is in education and in government. In order to have educational excellence, you must also have governmental excellence.

At times I have sat on our tribal council feeling very frustrated because I did not always feel that we had that particular type of quality and accountability under the type of system that is in existence on our reservation. It got to the point where I had to get off that tribal council in an attempt to try to better create some type of a forum to bring those types of issues on a local and a national level to the forefront, where we can maybe create the type of awareness where we can sit down and say, "Hey, it's time to intellectually assess the whole Federal-Indian relationship, where we come from, where are we today, and particularly where are we headed." I think the Indian colleges could serve as that particular type of catalyst.

They are fresh. They are new. We just have a ton of ideas out there, and we are champing at the bit, waiting, first, for somebody to invite us to some type of forum and to really sit down and get into a think tank approach, because we are talking about our own salvation out there. We are talking about strengthening tribal institutions which are going to be, hopefully, here for hundreds of years down the line.

When I look at other institutions on the reservation, I do not see them cutting it the way that Indian colleges have been cutting it and having the potential to address the problems of the future.

Certainly, with your continued cooperation and assistance, we are going to be drawing a little bit closer to that line, but it is tough out there.

I know we have some staff members who have been there longer than 11 years, but in the last 3 years we have not had any raises. Last year we attempted to assist the staff by giving a 3-percent raise, but at the same time we cut everybody from a 12- to a 10-month contract. This year we can see maybe the potential for our first loss of some very good staff. But right now they are committed, and they see this whole new redefined direction that several have been talking about, and they do not want to go, and, so likewise, they join me in thanking you for your support.

There are some other efforts that we are working on which I will probably be needing congressional support on down the line. Eventually, we need to "red flag" the whole financial aid system for Indian colleges themselves. So far we have piggybacked on the local agency type of financial aid system that is on the reservation for the agency as a whole, but this is not cutting it. It puts an unfair competition between our students and other Rosebud students in attempting to distribute the bucks. Somewhere we are going to need to break that out and come in with a package addressing specifically tribally-chartered college students.

I think another area that is of particular concern to ourselves—and which we have been working on for the fourth year now—is our Snyder Act money. These were and are banded dollars through the Rosebud Sioux tribal council to the tune of $358,300. In an arbitrary decision in 1980 on the part of the Bureau they completely cut that line item out; unknown to the tribe. It was only through congressional assistance that we were able to get $119,000 plugged back in, but the balance we are still working on administratively, and they assure us that they were wrong and a resolvement is forthcoming, and that a letter has been so drafted to the point where all that is omitted now is the last paragraph as to the final resolve. But so far we have not been able to budge the Bureau fiscally, but, I am still going to address this administratively. However, somewhere down the line we may be coming back to you for assistance.

Thank you.

STATEMENT OF DEAN C. JACKSON, PRESIDENT, NAVAJO COMMUNITY COLLEGE, NAVAJO NATION, TSAILE, AZ

Mr. **Jackson**. Mr. Chairman, my name is Dean Jackson. I have been president of Navajo Community College for 6 years.

Navajo Community College is recovering from the severe budget cut of 1981. At that point, we were cut over 60 percent.

In the 1983 and 1984 school year, Navajo Community College could be characterized as a college of optimism, enthusiasm, spirit, and growth. The college, for the first time in several years, has a balanced budget. It is being accepted by the tribe as something that is valuable, something that is for real.

We have also developed a closer working relationship with the States surrounding the Navajo Nation, the universities and colleges, and counties, as well as working closely with accrediting agencies.

This is due to the $600,000 that Congress added to Navajo Community College funding last year. This $600,000 has a stabilization effect, and it really increased the integrity of the college.

We have brought for the committee charts and graphs showing, No. 1, enrollment trends; cost trends; student output or student outcome; effects of budget cuts, meaning relationship between budget cuts and enrollments. We have also stated in there the number of graduates Navajo Community College has turned out in several years. This is the optimism of Navajo Community College.

However, there is also a pessimistic outlook because the last 2 or 3 weeks we have been told that we are going to be cut $106,000 from our current budget, to be reprogrammed to Albuquerque computer processing, or something like that.

Also, the proposed budget for 1985, there is a proposed cut of $525,000. Again, this is additional money that we worked so hard for the last year. The BIA is now wanting to get it back from us.

The other concern is that Navajo Community College in 1980 had an amendment. This is the Public Law 96-374, which takes us off of the FTE formula and puts us on a needs basis for funding. Although the rules and regulations have been developed, they have never been implemented, and the BIA continues to put us on FTE, and the methods it has used have been alluded to earlier. It is half of what their own postsecondary institution gets.

The way they count FTE is they count all their credit hours and divide it by 12. For ours, it is again divided by the number of te[illegible] either two or three, which really puts us low.

For the current year, if we compute our FTE as the BIA computes their FTE, we will come in with something like 2,201.

This year we are asking for the same level of funding if we are going to be held to FTE formula under Public Law 95-471. I mean, for next year, we are asking for the same level of money as this year, which is $4.4 million. On top of that, we will also be asking for endowment to the maximum, which is $350,000.

I would also like to mention that, in lieu of asking for construction money back in 1980, Congress suggested that we use underutilized facilities, BIA facilities. Therefore, we moved into Shiprock, which is Shiprock BIA facility. This was constructed back in 1930. Now we are asking BIA to transfer this to the Navajo Tribe, and the Navajo Tribe will give it to Navajo Community College.

But the facility is over 40 years old, and it is in bad need of renovation. We refuse to take it in that state. As an interim, we are using it on lease, or a permit lease basis, and I don't know how long we will be able to hang on that.

Since we moved in this facility, the enrollment at Shiprock branch has increased. Now it has over 400 students.

I do not know how we are going to pursue getting some money for renovation for this facility at the Shiprock campus.

Last, I would like to mention that the forward funding that everybody has been talking about this morning—in previous years we operated school from August to December on borrowed money. The money that we borrow costs us somewhere between $20,000 to $25,000 in interest. This is a huge amount of money to pay.

I do not know what the total amount would be if all of the colleges totaled their payment in interest. I imagine it would be $50,000 or $75,000 that we have to dish out because of the lateness in receiving money from appropriation.

Thank you very much.

[Prepared statements of the American Indian Higher Education Consortium, Little Big Horn College, the Navajo Community College, Standing Rock College, and Sinte-Gleska College follow. Testimony resumes on p. 145.]

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Navajo Community College
Nebraska Indian Community College
Oglala Lakota College
Salish Kootenai Community College
Sinte Gleska College
Sisseton-Wahpeton Community College
Standing Rock Community College
Turtle Mountain Community College
United Tribes Educational Technical Center
Lac Courte Oreilles Ojibwa Community College

TESTIMONY OF THE
AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM
TO THE
APPROPRIATIONS COMMITTEES OF THE UNITED STATES SENATE & HOUSE OF REPRESENTATIVES

February 21, 1984

by

Member Colleges of the

AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Little Big Horn College
Sinte Gleska College
Standing Rock College
Navajo Community College

TESTIMONY OF THE
AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Honorable members of the Committee, my name is Janine Pease-Windy Boy. I am President of the American Indian Higher Education Consortium, and am presenting this testimony on behalf of the nineteen member colleges of the Consortium, located throughout Indian Country: five in Montana, five in North Dakota, four in South Dakota, and one each in Arizona, Nebraska, Washington, California and Wisconsin.

The member colleges of the American Indian Higher Education Consortium range in age from two to fifteen years. These tribal colleges have evolved into comprehensive colleges providing sophisticated training to meet both traditional, academic and developmental needs of their respective tribes. Four colleges have achieved full accreditation, eight others are candidates for accreditation, while others are in progressive stages of development toward accreditation.

Public Law 95-471, The Tribally Controlled Community Colleges Assistance Act of 1978 was reauthorized and amended during the past session of the Congress by Public Law 98-192. This significant piece of legislation has enabled eligible tribal colleges to receive sorely needed financial support.

THIS TESTIMONY IS PRESENTED IN REGARD TO APPROPRIATIONS FOR PUBLIC LAW 95-471 as amended by PUBLIC LAW 98-192, for FISCAL YEAR 1984, FISCAL YEAR 1985 & FISCAL YEAR 1986.

FISCAL YEAR 1984

Supplemental appropriation needed .... $ 1,146,776.00

Actual appropriated for Title I...	$6,440,000.00
Amount needed to bring FTE up to $2,812/FTE for 2698 FTE....	$7,586,776.00
	- 6,440,000.00
	$1,146,776.00

Title I colleges current appropriation is $6,440,000.00, representing support for 2,290 FTE as $2,812/FTE. The growth in enrollment is shown in Fall term actual FTE of 2,556 FTE.

Title I colleges have received contract amendments reflecting actual Fall FTE, for an allocation of $2,519/FTE, $300 less than legislated support for FTE.

Projected final enrollment, compiled by AIHEC, is 2,698 FTE. With current appropriation, FTE support falls to $2,386/FTE, ranking tribal colleges at 51st in State FTE support by state colleges, and half that provided for BIA post-secondary schools.

Several aspects of 95-471 as amended by 98-192 impact the appropriations process for Fiscal Year 1985 and 1986:

Title I, Section 2.(a)(7), calls for INDIAN STUDENT COUNT, a counting method on the basis of credit hours of all Indian students divided by 12, with summer term added on to Fall term count, and continuing education credits. This student counting method results in totals 10% to 15% greater than the previously used method.

Title I, Section 11.(b)(7), requires FORWARD FUNDING, such that appropriations can be available for obligation on July 1 of each year, through September 30 of the following year. Also, that the transition shall be made by an appropriation act to the same fiscal year containing two separate appropriations. FORWARD FUNDING provides the tribal colleges stability in fiscal practice and in planning. This will erode the established pattern of December receipt of initial operating funds.

Title I, Section 113, (a), provides for a G.S.A. study of college facilities to determine construction needs.

Title I, Section 113.(a) & (c) provides grants for construction not to exceed 80% of construction costs, and that no tribal college be required to expend more than $400,000 in fulfilling the portion of such construction.

Title III, Sec. 302.(a), establishes a program of endowments, and from amount appropriated, allocation to each tribal college on a dollar for dollar match, not to exceed $350,000.

FISCAL YEAR 1985, Tribally Controlled Colleges

Title I, Grants .... $ 9,300,000.00

Amount needed to guarantee $3,000/ISC for tribal college enrollment of 3,100 ISC. Projected enrollment reflects transition from FTE student counting method to ISC, yearly average growth and 6% cost of living increase.

Title I, Construction .... $ 250,000.00

Amount needed for the GSA study of college facilities to determine construction needs.

Title I, Technical Assistance.......... $ 232,500.00

Amount needed for $75/ISC for Technical Assistance.

Title III, Endowments................. $ 1,500,000.00

Estimate of college endowment contributions for FY 1985.

The American Indian Higher Education Consortium data on enrollment varies dramatically with that in the President's proposed budget for FY 1985.

AIHEC	Presidents Budget	Difference
ISC - 3,100	FTE - 2549	-551
$ 3,000/ISC	$ 2,390/FTE	-$ 610
10% growth rate	no growth	
10% change-ISC method	FTE method	
6% cost of living	no cost of living	

FISCAL YEAR 1986, Tribally Controlled Colleges

Title I, Grants .... $ 11,400,000.00

Amount needed to guarantee $3,200/ISC for colleges enrollment of 3,565 ISC. Projected enrollment reflects yearly average growth and 6% cost of living increase.

Title I, Construction .... $ 10,000,000.00

Tribal colleges in the network now funded by Title I of this act, with accreditation complete by FY 1986:

1. Blackfeet Community College, Browning, MT
2. *D. Q. U., Davis, CA
3. Dull Knife Memorial College, Lame Deer, MT
4. Nebraska Indian Community College, Winnebago, NE
5. *Oglala Lakota College, Kyle, SD
6. Salish Kootenai Community College, Pablo, MT
7. *Sinte Gleska College, Rosebud, SD
8. Standing Rock College, Fort Yates, ND
9. Turtle Mountain Community College, Belcourt, ND

*Colleges now having FULL ACCREDITATION.

Title I, Technical Assistance............ $ 267,375.00

Amount needed for $75/ISC for Technical Assistance.

Title III, Endowments .... $ 1,500,000.00

The American Indian Higher Education Consortium presents data and amounts needed for Title I and III of the act, while none is listed in the President's Proposed Budget for FY 1985. FORWARD FUNDING, as a provision of the act, is apparently disregarded.

Respectfully Submitted:

Janine Pease Windy Boy

Janine Pease-Windy Boy, President
American Indian Higher Education
Consortium, Feb. 21, 1984

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STUDENT OUT-COME DATA:

The American Indian Higher Education Consortium has done a sample of five (5) Tribally Controlled Community Colleges located in Montana, North Dakota and South Dakota to measure the outcome of its services to students. This measurement is focused on hard data and reflects what has been done on the reservations in terms of human resource development since 1973.

Not reflected in this data are the special relationships Tribal Colleges have developed with Tribal Governments, Employers of all kinds and local federal governmental agencies. These special relationships are partnerships where the colleges have agreed to train people already on the job for specific tasks needed by the employer. These types of relationships are becoming more frequent and have done much to promote employment in the Tribal communities. This type of student won't show up in graduate data because to graduate isn't the goal. Rather leraning of specific skills is the desired outcome.

The following information tells a large part of the story of the Tribally Controlled Community Colleges and the positive impact on their reservations:

A. Number of graduates, 670, 1973-1983.

B. Number of 1984 graduates, 184

C. Certificates granted for VO-Ed, 538, 1973-1893

D. Types of degrees granted (1) 47 Bachelor of Science
(2) 539 Associate of Arts
(3) 132 Associate of Science

E. Number of graduates transferred to four year institutions 249 or 40%

F. Number of transfers graduating from four year schools, 211 or 85%

G. Percentage of TCCC graduates employed, 73.88%

H. Percentage of TCCC graduates unemployed, 26.12%

I. Average unemployment on five reservations, 78.6%

Schools which participated in this survey are Standing Rock College, Oglala Lakota College, Turtle Mountain Community College, Salish Kootenai College and Little Big Horn College.

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NORTH DAKOTA TRIBALLY CONTROLLED COLLEGES

The Tribally Controlled Colleges of North Dakota have become an important and viable part of their respective Tribes development in education, economics and self-sufficiency. Turtle Mountain Community College, Little Hoop Community College, Fort Berthold Community College, and Standing Rock Colelge have all contributed to the training, research and development of the people so necessary for tribes to continue to advance and have true self-determination.

The North Dakota Tribally Controlled Colleges have a history of service to their respective Tribes and communities dating back to 1973. The Colleges will continue to serve on many task forces and special committees at the request of their tribal government and local communities.

One aspect of the North Dakota Tribal Colleges which has become an important factor is their pursuit of quality education through the accreditation process. The North Dakota Tribally Controlled Colleges have all gained candidacy status through North Central Association. Standing Rock College and Turtle Mountain Community College will both have final visits in April, 1984 for full accreditation. This has been made possible through resources made available from P.L 95-471 and now P.L. 98-192. This legislation gave the support Tribally Controlled Colleges needed to convince North Central Association that Tribal Colleges are long term and viable higher education Institutions for their people.

Based on the above North Dakota Tribally Controlled Colleges recommend to Congress that it fully fund the American Indian Higher Education Consortium request for fiscal years 1985 and 1986.

TESTIMONY OF

LITTLE BIG HORN COLLEGE

The Crow Tribe of Indians has a Reservation located in Southeastern Montana State of 2.1 million acres. The Crow Tribal Council is the governing body of the Crow Tribe, and consists of all enrolled Crow tribal members, males - 21 years of age and older, females - 18 years of age and older.

In 1980, the Crow Tribal Council chartered the Little Big Horn College, to serve the Crow Tribe in providing post-secondary training in academic and vocational areas leading to degrees and certificates. The enrollment, since charter has been

1980-81	28	FTE	60	Headcount
1981-82	32	FTE	130	Headcount
1982-83	81	FTE	200	Headcount
1983-84	100	FTE	245	Headcount

This enrollment growth has shown increases at an average of 10% plus in a single year. Headcount total have increased yearly, impacting a large portion of the 900 Crow households on the Crow Reservation.

Little Big Horn College offers programs of study reflecting the economic background of the Reservation, combined with the fiscal constraints of general operating revenue. Current Associate of Arts Degrees offered are:

Business Administration
Office Education
Data Processing
General Studies
Mathematics
Science
Psychology
Crow Studies
Home Economics

Human resource development is a priority stated in the College charter. The College has performed research on the manpower of the tribal membership, and is committed to a reservation based approach to higher education. The tie to tribal members is immediate and demands a high level of administrative responsibility to respond to the conditions which the Crow people all share. The human resource, the Crow people, is a youthful population, 75% of the 7,000 plus members are 34 years of age and younger. This factor emphasizes the long term need for post-secondary education services for the Tribe.

Little Big Horn College is striving to achieve candidacy for accreditation with the Northwest Association of Schools and Colleges, Commission on Colleges. A self-study is in preparation for an April 1984 on-site visit. Crucial to the achievement of candidacy is stability of funding. The Public Law 95-471, and amendments of Public Law 98-192, has provided fiscal support critically needed for progress toward stability. Five key aspects to the amendments assist the College:

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1. Reauthorization of the Law provides three fiscal years of life for the College through Title I operational grants.
2. Indian Student Count, the counting method under the new law, counts total credit hours, divided by 12, and divided by the number of academic terms.
3. Forward Funding assists in planning and obligation patterns, allowing greater consistency and foresight in College direction This will alleviate the expensive loans required when payments are several months late in coming from the BIA.
4. Students assisted by the BIA educational grants can be counted toward Title III of the Higher Education Act eligibility. This helps the College, due to the youth and smallness of student count, toward establishing eligibility for developmental grants.
5. Endowment potential will encourage contributors increasing the revenue generation for the College.

FISCAL YEAR 1984, SUPPLEMENTAL

Little Big Horn College requests supplemental appropriations for Fiscal Year 1984. Current appropriations for FY 84 are $6,440,000. to support 2391 FTE, when actually, the Fall FTE is 2,556 FTE. This amount stands to increase to projected levels from tribal colleges up to 2,698 FTE. On the basis of Fall FTE alone, the FTE support falls to $2.519/FTE. Based on projected 2,698 FTE, the FTE support falls to $ 2,386.00.

At Little Big Horn College, the shortfall in appropriations has caused an amendment to the contract for FY 1984, decreasing the amount by $3,000. This decrease happened despite the increase in FTE count, from 81 FTE average (FY 1983), to 91 FTE for Fall term and 110 FTE for Winter term.

Effects of revenue decrease: The support of the nine degree programs and three certificate programs has been limited largely to heavy proportions of instruction by parttime faculty members. This option has been selected because it is less expensive than commitment to full-time faculty. Quality instruction, a way to achieving accreditation, requires energy and professional input from faculty. Expecting such contribution from parttime faculty is impossible, for they all have obligations to employment other than the College. Also impacting the degree areas is the lack of fiscal support for equipment replacement.

The physical plant of the College consists of tribally owned facilities, on use agreement to the College. Maintenance, repairs, utilities and insurance are fully assumed by the College budget. Said cost areas show constant increases every year. The College has made strides in building efficiency, by re-roofing (through Tribal assistance) and by installation of a new furnace (also through Tribal assistance). These two projects have assisted in reducing the outlay for fixed costs, however, the current budget represents the least possible level, short of shutting the buildings down altogether. Ever shrinking appropriations must still cover these areas. The inflexible nature of fixed costs leave the other categories of instruction and student services, administration and community service to suffer cuts in fiscal commitment.

FISCAL YEAR 1985, Little Big Horn College

The Little Big Horn College has needs reflecting the following areas:

Title I, Grant to Little Big Horn College.....$ 390,000.00

Based on enrollment of 130 ISC @ $3,000/ISC.

Title I, Construction ....$ 12,500.00

Based on proportion of entire GSA facilities study given the study will cost approximately $250,000. for tribal colleges now eligible to receive assistance from Title I.

Title I, Technical Assistance .... $ 9,750.00

Based on amount needed for T.A., @ $75/ISC x 130 ISC.

FISCAL YEAR 1986, Little Big Horn College

Title I, Grant to Little Big Horn College.....$ 464,000.00

Based on enrollment of 145 ISC @ $3,200/ISC.

Title I, Technical Assistance................$ 10,875.00

Based on enrollment of 145 ISC @ $75/ISC for amount needed for Technical Assistance.

Title III, Endowments ....$ 5,000.00

The College requests the Committee to compare the data submitted herein with that included in the President's proposed budget, noting that the data shows discrepancies in enrollment projection. The use of "ISC" and "Forward Funding" is ignored in the proposed budget.

Respectfully submitted:

Janine Pease-Windy Boy, President

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Statement of Mr. Dean C. Jackson
President, Navajo Community College
Tsaile, Navajo Nation, Arizona
Presented to
Senator James A. McClure, Chairman
Senate Select Committee on Indian Affairs
February 21, 1984

Mr. Chairman, my name is Dean C. Jackson and I am the President of Navajo Community College. For the last four years, in the aftermath of devastating cuts in our federal appropriations, I have been coming to you with dire words about the predicament of Navajo Community College. Our enrollment had dropped, we were operating in the red and the dream of Navajo Community College seemed to teeter from crisis to crisis over a void of economic uncertainty. But this year I come to you with a new message, a message of hope and optimism and accomplishment from Navajo Community College. Every institution has its seasons and Navajo Community College has emerged from an extremely harsh winter into a glorious new spring.

In my world, the world of education, you sensed changes like this in the students first. Last month I spoke at a student assembly and for the first time in my five years at Navajo Community College, it was a full house, standing room only. Our enrollment at our main campus at Tsaile is nearly back to pre-1981 levels, our enrollment at our Shiprock campus has nearly doubled since 1981 and our community campus enrollment is nearly twice what it was in fall semester, 1983. Our classes are full, our grade point averages are up and our incoming freshmen are scoring higher today than ever before on standardized achievement tests.

President Reagan said last month in his State of the Union Address that America is back. Well, Navajo Community College is back as well. After four years of struggle and heartache, a new, leaner, more innovative Navajo Community College has emerged. Our budget is balanced, and our message is being heard across the Navajo Nation -- in the hogans of our people, in the classrooms of our children and in the chambers of our leaders.

Make no mistake about it: The 60 percent cuts in our federal appropriation beginning in 1981 were devastating to Navajo Community College. We slashed our administrative staff by some 80 positions, we consolidated our organizational structure from five to two divisions, we reduced the number of our off-campus centers from 54 to four, we froze staff salaries and put many staffers on 24-hour pay weeks -- although many voluntarily continued working 40 hours for their reduced pay. It has been a seige of belt tightening and austerity that would've killed off any number of federal agencies, community colleges and even private businesses.

But the dream of Navajo Community College, the Nation's first Indian-owned and operated college, will not die easily. Our people will not let it happen. Since 1980, when our federal appropriation was cut from $6.2 million to $3.1 million, our people through their Tribal Council have repeatedly extended Navajo Community College the lifeline of survival -- $4.85 million over the past four years -- at a time when the Tribe itself was reeling under massive federal budget cuts and endemic unemployment across our land.

Faced with the ultimate choice -- to help us live or let us die -- the Navajo Tribal Council made a deep and profound commitment to their college. And that commitment has fundamentally altered the relationship between Navajo Community College and the Tribe. Where once there was animosity and suspicion, now there is cooperation and respect. Our relationship has deepened and matured. Just a few months ago, Tribal Chairman Peterson Zah made education of the Navajo people his administration's highest priority and the Navajo Tribal Education Committee designated Navajo Community College as the entity to coordinate all post-secondary education and training on the Navajo Nation.

This designation is of crucial importance to both Navajo Community College and the Navajo people. The dream of a college, owned and operated by the Navajo people, was born of the heartaches of generations of Navajos who for too long had no control of their own educational experiences. Thousands of Navajo youngsters who yearned for a better education left the reservation for institutions of higher learning, only to return home, failed and confused, defeated by alien institutions insensitive to their needs. Navajo Community College grew and prospered in the first decade of our existence mostly because we developed an approach to educating our people that reversed the decades-old tradition of Navajo failure at institutions of higher learning.

From the fall day in 1969, when Navajo Community College opened in a one-time Bureau of Indian Affairs boarding school at Many Farms, the college has been driven by the idea that Navajo students would flourish in an environment that coupled a solid postsecondary academic program with an emphasis on Navajo cultural history and a Navajo educational perspective. And today that concept is hailed across the country as a glimmer of hope in the disheartening landscape of modern American education.

About 70 percent of our students enter with reading skills below the 10th grade level. Many have already failed at off-reservation colleges and about 80 percent come from families with annual incomes of less than $3,000. Nevertheless, Navajo Community College's unique educational philosophy has enabled hundreds of our students to succeed where they would have failed before. Only about 11 percent of Navajo youngsters who are awarded tribal scholarships to attend institutions outside the Navajo Nation ever earn degrees. But of our students who transfer to four-year institutions more than 21 percent are awarded theirs. Of the 48 Navajos who graduated from University of Arizona last year, 45 had attended Navajo Community College. Of the 169 Navajos who graduated from Northern Arizona University last year, 107 had attended Navajo Community College. Already Navajo Community College alumni fill key roles in the Navajo Nation -- in the tribal government, in our schools, in the health care system and in private businesses.

And now, by designating Navajo Community College as the institution for higher education of the Navajo people, the Navajo Tribe has embraced Navajo Community College's unique approach to education as the single best means to address the special educational needs of our people. There are about 165,000 Navajos and 87,000 of them are school-aged. The average age on the reservation is 19. In this increasingly complex and technological world, if the Navajo people are truly to take control of their lives -- both economically and politically -- we must assure that all educational programs offered on our reservation truly provide the skills and knowledge we need.

Last year, a total of 19 institutions of higher learning offered programs on the Navajo Nation. These programs come and go, offering individual courses as the money is available, but they almost never lead to degrees for their students. It has been commonplace for students from other schools, who have already earned as many as 45 credits, to come to Navajo Community College hoping to be granted degrees based on their previous studies. Unfortunately we require that our graduates earn at least 34 of their 64 credits at Navajo Community College which means that many of these students must continue their studies far beyond our required 64 credits to become eligible for degrees.

As coordinator for all higher education in the Navajo Nation, Navajo Community College will be able to determine what educational programs are needed and then either provide the programs ourselves or contract with other institutions to provide those programs --

in a way that best serves the needs of our people. For example, right now, Navajo Community College is developing programs that will enable Navajo teachers' aides to become certified teachers in our schools - by first studying at Navajo Community College and then completing their baccalaureate requirements at Northern Arizona University. A similar program is being developed for employees of the Navajo Division of Social Welfare who will become fully certified social workers -- by first studying at Navajo Community College and then at Arizona State University.

Clearly the most substantial higher education needs of the Navajo people are in off-campus programs. The Navajo Nation encompasses 25,000 square miles of some of the most beautiful land in the world. Our people love big wide open spaces and there are only a handful of communities settled densely enough to support even a single supermarket. Our main campus at Tsaile has been filled to capacity for years, and given the distances our people must travel, the only effective way to provide adequate educational services to the Navajo Nation is to take our program into classrooms across the reservation.

Sadly, our off-campus programs suffered most severely as a result of the federal budget cuts. In 1982 alone, our off-campus enrollment dropped some 1,000 students. But this year, with the renewed vitality of Navajo Community College finances, we have been able to increase the budget for our off-campus programs by $50,000 and our off-campus enrollment has risen accordingly -- up 900 students over last semester. We are in the process of opening new off-campus centers -- in chapter houses and high school classrooms -- and we are increasing the number of courses we can offer. Our commitment to off-campus programs will only intensify if the Bureau of Indian Affairs abides by the law you approved, Public Law 98-192, which would entitle us to receive full Indian Student Count compensation for all our students -- whether part-time or full-time.

In addition to our standard off-campus program, we are developing new programs that meet specific needs of our people. We are, for instance, developing a training program for Navajos serving on committees and school boards to help them make better decisions for the future of our Tribe. We are also developing a program to train managers already working in Navajo institutions and a program to train potential Navajo entreprenuers -- which in turn should help the Navajo Nation develop the robust economy we so badly need. And working in conjunction with the Tribal Government we are already training young Navajos through the Job Training Partnership Act.

We are also awaiting funding from the Department of the Commerce to build our own public television station, the Navajo Nation Network, which will bring Navajo language and other educational programming to the reservation for the first time on a regular basis. Navajo Nation Network will provide entertainment and news programs, in both English and Navajo, and it will offer telecourses from our main campus at Tsaile -- a crucial capacity if we are to provide higher educational services to all our people on this vast reservation.

Navajo Community College also has asked the State of Arizona to adopt two pieces of legislation which would enable the college to contract with community college districts or the State Board of Vocational Education to provide educational services to their students. At present, only state community colleges are permitted to enter into such contracts and if the State of Arizona adopts the requested legislation, Navajo Community College would be able to bring its services to even more of our people. Such legislation would permit us, for example, to develop a much needed building and construction trades program in Page, Arizona, where $200 million construction projects are being developed. It would also enable us to coordinate and articulate vocational education programs with community college districts throughout the Navajo Nation. With this new contracting authority, we would be able to reduce duplication of services, pool resources and thereby reduce the overall cost of postsecondary education on the Navajo Nation. The Arizona House Education Committee has recommended approval of the first piece of legislation -- which clarifies the legal authority of state community college districts to contract with Navajo Community College. And the Arizona Senate Education Committee is meeting soon to decide whether to recommend approval of the second piece of legislation -- which clarifies the State Board of Vocational Education's authority to contract with us.

As you can see, Navajo Community College is vibrant and alive again, and in conjunction with the Tribe, we are charting the future educational course of our people. This year we've given the highest priority to a new planning office and planning committee which together are developing a 10-year plan for our school. We are, in short, defining our own future which is the very essence of self determination. But the journey has only just begun and giant obstacles still lay in our path.

The $600,000 additional appropriation Congress authorized for Navajo Community College in Fiscal Year 1984 went a long way to solving our budget crisis. That money, coupled with the $3.8 million we have received in each of last three years, put us on solid enough financial footing that we could move ahead to meet the great challenges that lay in our path. But in President Reagan's preliminary Fiscal Year 1985 Budget, released just last month, Navajo Community College's Fiscal Year 1984 allocation of $4.4 million is to be cut by $525,000. The consequences of such a cut would be devastating and far reaching. When Congress authorized the additional $600,000 last summer, it was with the understanding that we would use that money for operating expenses, while using tribal monies to do much needed renovations on our Tsaile campus. But because we did not receive our federal funds from the Bureau of Indian Affairs until December, we were forced to use the tribal money set aside for renovations for operating expenses. Now, should Congress cut our annual allocation, we not only would be unable to accomplish those renovations, but we would also have to cut services where we've just begun to grow.

If you look at the charts I've brought with me today, you will note that there is a direct link between our federal allocation and our student enrollment. When our federal dollars are cut, our enrollment drops. In Fiscal Year 1984, the additional $600,000 federal allocation sparked a surge in our off-campus enrollment of 100 percent. This year, because of the massive federal budget deficit, Navajo Community College for the first time ever is seeking no new federal funding for our school. If federal funding for Navajo Community College continues at $4.4 million for Fiscal Year 1985 -- plus the $350,000 in federal matching funds already authorized by Congress for our endowment fund -- we will be able to continue moving agressively to meet the challenges of our future.

In 1980, Congress adopted Public Law 96-374 which purportedly ended the practice of basing Navajo Community College's funding on a full-time equivalency formula. But in the ensuing four years, the Bureau of Indian Affairs has failed to promulgate rules and regulations for Public Law 96-374 and Navajo Community College has continued to be subjected to the full-time equivalency count. Moreover the Bureau of Indian Affairs has required that Navajo Community College's funding be based on a full-time equivalency formula which is markedly different from the full-time equivalency formula which the Bureau of Indian Affairs itself uses to fund its own postsecondary institutions such as Haskell, Southwestern Polytechnical Institute, and Institute of American Indian Arts. Under the Bureau of Indian Affairs' formula for its own schools, the full-time equivalency figure equals the total number of credit hours, divided by 12. But the Bureau of Indian Affairs requires Navajo Community College to determine its full-time equivalency count by dividing the total number of part-time credit hours by 12, then adding the total number of full-time students -- and then dividing that total by two. Under Bureau of Indian Affairs' required full-time equivalency formula for Navajo Community College, our total full-time equivalency count for 1983-1984 has been tentatively set at 872. But if the Bureau of Indian Affairs permitted us to use the full-time equivalency formula employed by its own postsecondary institutions, Navajo Community College's full-time equivalency count for the 1983-1984 school year would be 2,022. Moreover, the proposed cut of $525,000 from our federal allocation fails to take into consideration an anticipated increase on our total full-time equivalency count of about 100 -- based on the Bureau of Indian Affairs' full-time equivalency formula for Navajo Community College. In effect then, the proposed Fiscal Year 1985 Budget punishes Navajo Community College because the Bureau of Indian Affairs has failed to carry out Congress' orders.

Mr. Chairman, ladies and gentlemen of this committee, I can only beg you not to permit this to happen. If you cut our federal appropriation again, if you throw us back to the dark times of 1981, 1982 and 1983, the flower of progress that has begun to bloom at Navajo Community College will wilt and die. It's not just that we will have to cut back programs and reduce faculty and staff. It's that the confidence in Navajo Community College that has been growing in our high school students, in our educators, in our Tribal Council, throughout the Navajo Tribe, will be crushed. And that would be devastating -- both to Navajo Community College and the great hope of the Navajo people.

Before I leave you today, Mr. Chairman, I want to share with you an idea we've been talking about a lot up in Tsaile. Navajo Community College is more than an educational feed into four-year institutions. Generations of Navajos have suffered from a complex of inferiority -- particularly regarding competition in the outside dominant culture. These students come to us with meager educational backgrounds and our primary function is to create in them a sense that they can accomplish whatever they set out to do. Certainly part of our responsibility is to prepare our students to go on to four-year institutions. But an equally important part of our responsibility is to develop in our students a sense of self-confidence and a heightened self-image so that they can attain whatever personal goals they have set for themselves -- whether that be to go on to four-year schools or to fill important jobs on the Navajo Nation -- which are absolutely essential for our future growth, expansion and prosperity.

More than 25 percent of our students go on to four-year schools and the vast majority succeed at what they set out to accomplish at Navajo Community College. A full 50 percent of our students in the last two years came here to get training in one area or another, got it and then used that new skill to get new jobs or enhance their positions in old ones. For example, prospective police officers on the Navajo Nation must successfully complete a 22-credit training program through Navajo Community College before they can begin work with the Navajo Nation Police. Our business education department sends students into the work force fully prepared to work in modern business offices. Our Animal Science Clinic which is the only full-service veterinary center on the reservation is training ParaVetics who will bring quality animal health care across the reservation for the first time ever. Graduates of welding and auto repair programs are already finding work in the expanding local economy of the Navajo Nation.

The average age of our students is 25 years old and some 75 percent of them are women with children. What we find is that many come to Navajo Community College for a semester or two, leave to support their families and then return again to continue their education. In essence then, Navajo Community College is a community college in the truest sense of the word. Some of our students are headed for four-year schools. But many of them are coming to us for skills they need and then returning to the job market to apply them. If we take into consideration those Navajo Community College students who graduate with AA degrees or from certification programs and those students who come here for brief periods for specific kinds of skill training, our success rate is nearly 80 percent. Of the thousands of students who have matriculated at Navajo Community College over the last two years, only about 10 percent have actually dropped or failed, with another 11 percent leaving for unknown reasons. That means that an astonishing figure when compared to similar rates for Indian students at other colleges.

Some community colleges can afford to sit back and provide only the educational services they deem necessary. But Navajo Community College's role in the Navajo Nation is too important for that. We are the institution of higher learning for this developing Nation, and as such our mission is to prepare our students to succeed in whatever areas they deem important. The message I bring to you today is that Navajo Community College is fast accomplishing that mission. We are an integral part of a great undertaking that will prepare our people to function independently and creatively in the emerging realities of the 21st Century. And with your continued support, particularly with your support for funding Navajo Community College at Fiscal Year 1984 levels, we can and we will continue to succeed in this noble endeavor. Thank you.

NAVAJO COMMUNITY COLLEGE

FACT SHEET

February 21, 1984

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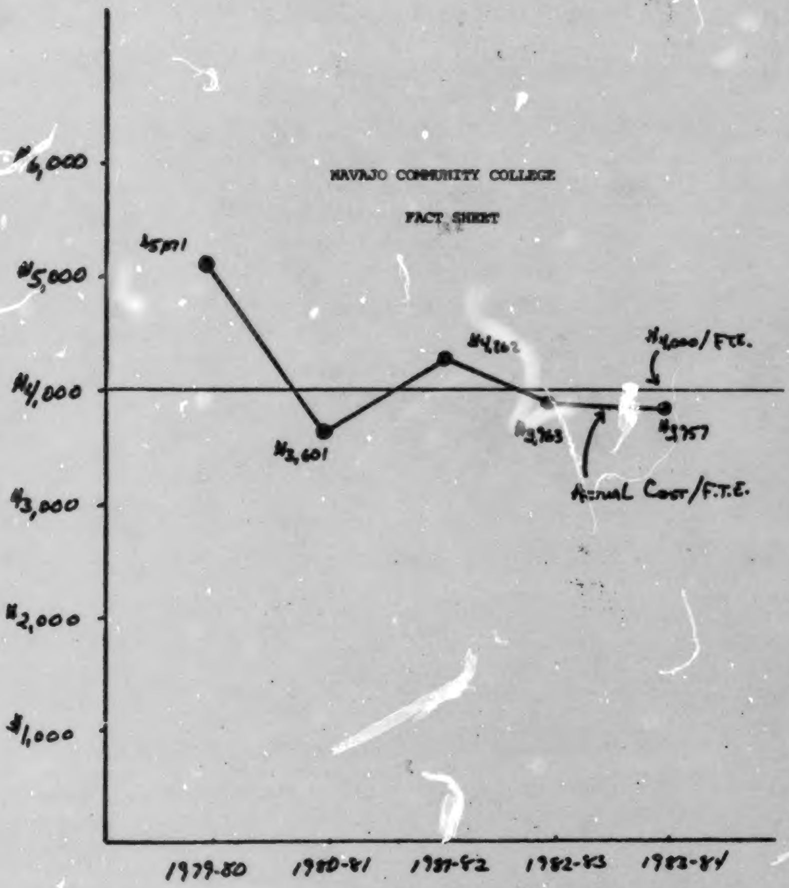
NAVAJO COMMUNITY COLLEGE
FEDERAL COST PER INDIAN/FTE



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NAVAJO COMMUNITY COLLEGE
Cost/Indian F.T.E.

YEAR	TOTAL BUDGET	FEDERAL SHARE	INDIAN FTE	FED. COST/INDIAN FT
1979-80	$9,219,759	$6,405,000(69%)	1831 (1263)	$ 5,071
1980-81	7,209,888	3,997,000(55%)	2018 (1110)	$ 3,601
1981-82	8,335,237	3,840,000(46%)	1958 (901)	$ 4,262
1982-83	7,315,887	3,840,000(52%)	1864 (969)	$ 3,963
1983-84	8,000,000	4,400,000(55%)	2022 (1112)	$ 3,957

AVERAGE FEDERAL COST/INDIAN FTE

1979-84 (5 yrs.) = $4,171.00
1980-84 (4 yrs.) = $3,946.00

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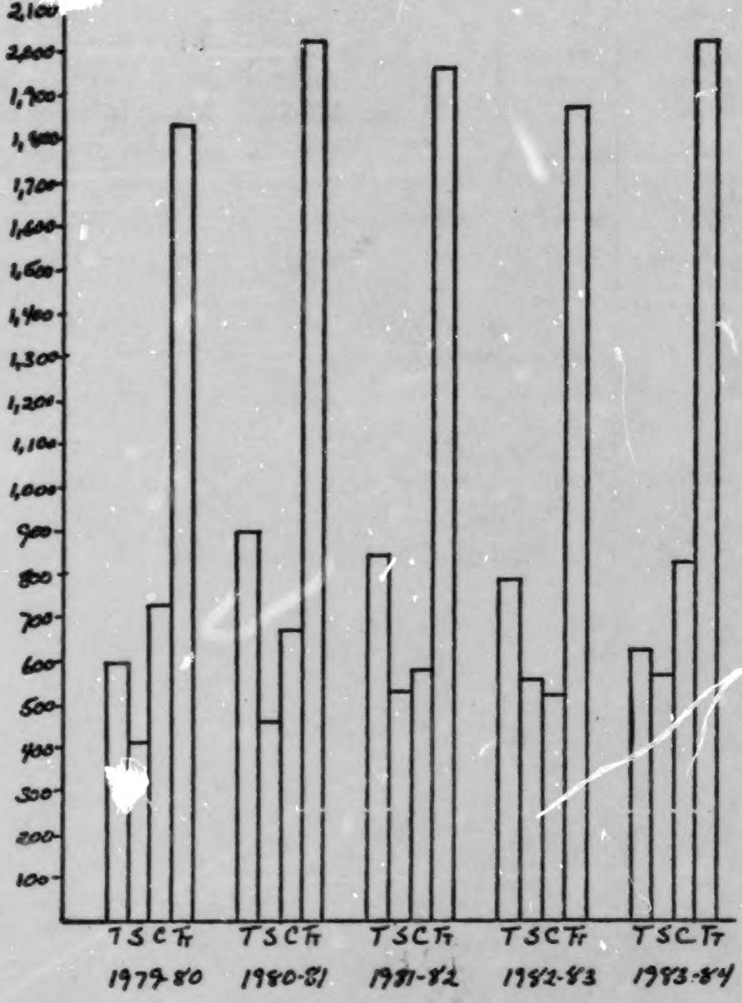
NAVAJO COMMUNITY COLLEGE
Indian Student Count
Total Hours ÷ 12



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NAVAJO COMMUNITY COLLEGE
INDIAN STUDENT COUNT
Total Hours ÷ 12

	1979-80	1980-81	1981-82	1982-83	1983-84
TSAILE					
Full Time	7,085	9,724	9,420	8,683	7,156
Part Time	1,295	1,006	744	715	406
Total	8,380	10,730	10,164	9,398	7,562
÷ 12	698	894	847	783	630
SHIPROCK					
Full Time	2,092	2,321	3,231	4,126	4,792
Part Time	2,802	3,188	3,160	2,525	1,993
Total	4,894	5,509	6,391	6,651	6,785
÷ 12	408	459	533	554	565
COMMUNITY CAMPUS					
Full Time	997	342	1,868	1,608	1,228
Part Time	7,702	7,690	5,068	4,707	8,691
Total	8,699	8,032	6,936	6,315	9,919
÷ 12	725	669	578	526	827
TOTALS					
Full Time	10,174	12,387	14,519	14,417	13,176
Part Time	11,799	11,844	8,972	7,947	11,090
Total	21,973	24,221	23,491	22,364	24,266
÷ 12	1,831	2,018	1,958	1,864	2,022

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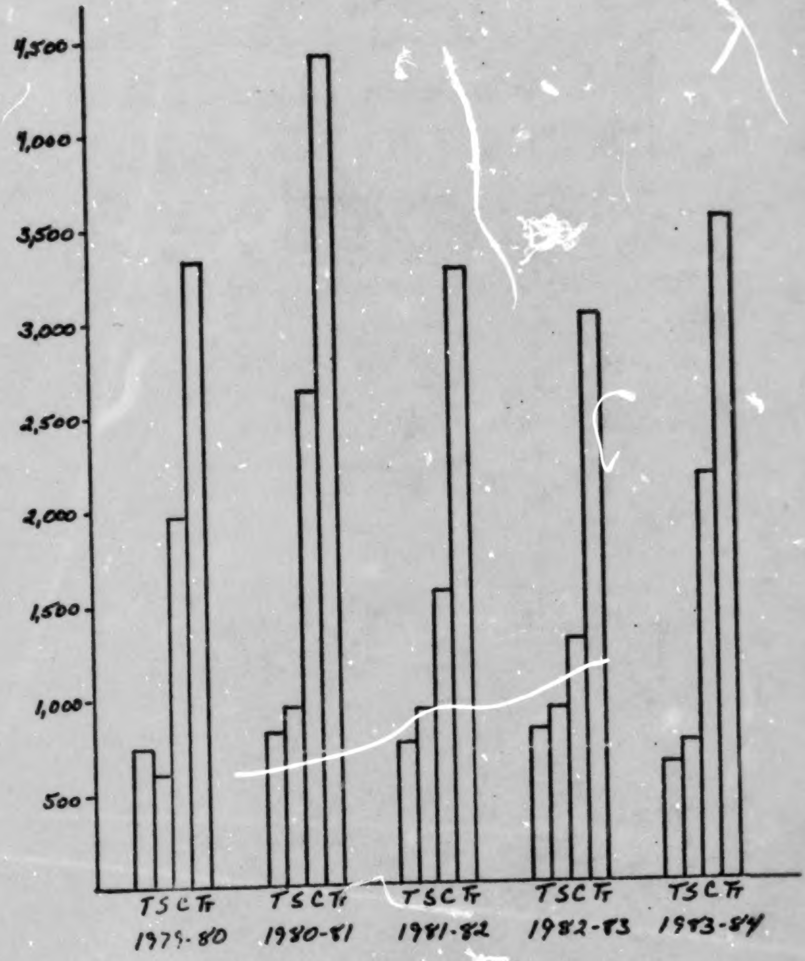
NAVAJO COMMUNITY COLLEGE
Indian Student Headcount



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NAVAJO COMMUNITY COLLEGE
Indian Student Headcount

TSAILE	1979-80	1980-81	1981-82	1982-83	1983-84
Full Time	472	638	630	583	484
Part Time	276	187	148	235	141
Total	748	825	778	818	625
Change		+77	-47	-40	-193
%		+.1029	-.0570	+.0514	-.2359
SHIPROCK					
Full Time	[illegible]	178	235	306	352
Part Time	[illegible]	775	703	607	[illegible]
Total	605	953	938	913	730
Change		+348	-15	-25	-183
%		+.5752	-.0157	-.0267	-.2004
COMMUNITY CAMPUS					
Full Time	76	26	128	86	78
Part Time	1,899	2,606	1,443	1,212	2,094
Total	1,975	2,632	1,571	1,298	2,172
Change		+657	-1,061	-273	+874
%		+.2337	-.4031	-.1738	+.6733
TOTALS					
Full Time	694	842	993	975	914
Part Time	2,634	[illegible]	2,294	2,054	2,613
Total	3,328	4,410	3,287	3,029	3,527
Change		+1,082	-1,123	-258	+498
%		+.3251	-.2546	-.0785	+.1644

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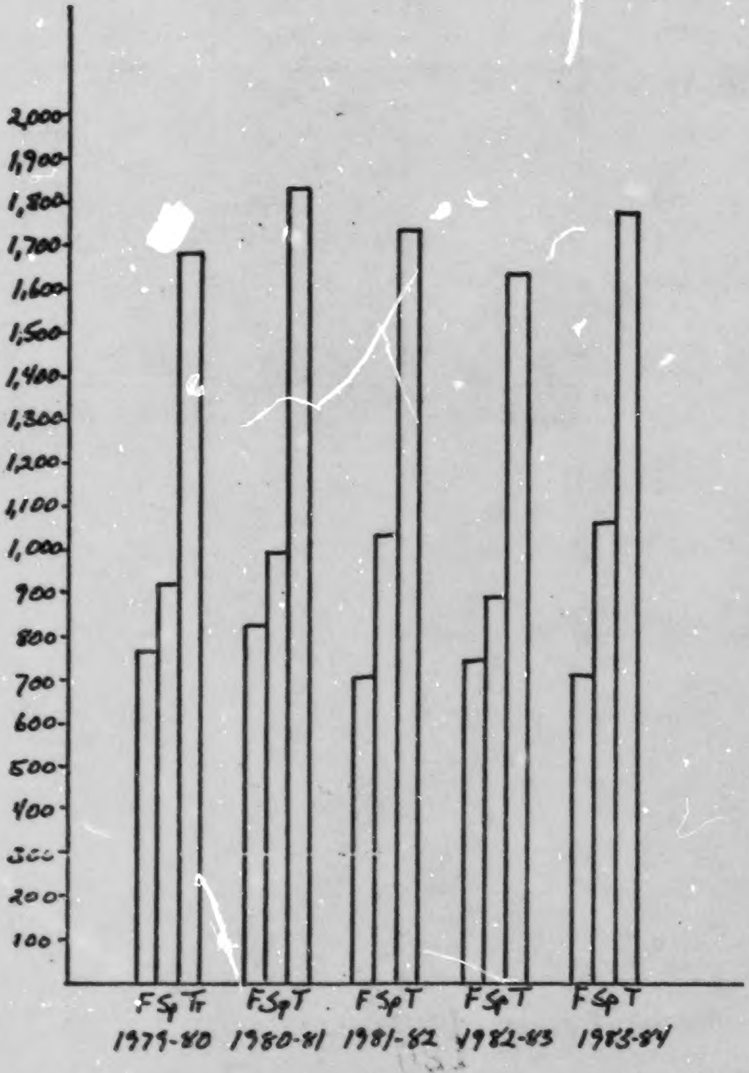
NAVAJO COMMUNITY COLLEGE
Full Time Equivalent Data
(End of Semester data)



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NAVAJO COMMUNITY COLLEGE
Full Time Equivalent Data
(End of semester data)

1979-80	FULL TIME	PART TIME	TOTAL
FALL	317	440	757
SPRING	377	543	920
TOTAL	694	983	1,677
÷ 2	347	491.5	838.5
1980-81			
FALL	385	449	834
SPRING	457	541	998
TOTAL	842	990	1,832
÷ 2	421	495	916
1981-82			
FALL	375	332	707
SPRING	618	416	1,034
TOTAL	993	748	1,741
÷ 2	496.5	374	870.5
1982-83			
FALL	441	304	745
SPRING	534	358	892
TOTAL	975	662	1,637
÷ 2	487.5	331	818.5
1983-84			
FALL	414	296	710
SPRING	534	531	1,065
TOTAL	948	827	1,775
÷ 2	474	418.5	887.5

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NAVAJO COMMUNITY COLLEGE

BUDGET APPROPRIATIONS/ENROLLMENT COMPARISONS

	1979-80	1980-81	1981-82	1982-83	1983-84
Federal $	6,405,000	3,997,000	3,840,000	3,840,000	4,400,000
Change		-2,408,000	- 157,000	-0-	+ 560,000
%		-.3760	-.0393	-0-	+.1458
Tribal $	-0-	-0-	1,250,000	1,500,000	1,500,000
Change				+250,000	-0-
%				+.2000	-0-
Indian Headcount	3,328	4,410	3,287	3,029	3,527
Change		+1,082	-1,123	- 258	+ 498
%		+.3251	-.2546	-.0785	+.1644
Indian FTE (N)	1,831	2,018	1,958	1,864	2,022
Change		+ 187	- 60	- 94	+ 158
%		+.1021	-.0297	-.0480	+.0848
Indian FTE (O)	1,677	1,832	1,741	1,637	1,775
Change		+ 165	- 91	- 104	+ 138
%		+.0984	-.0497	-.0597	+.0843

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TESTIMONY OF STANDING ROCK COLLEGE
FORT YATES, NORTH DAKOTA

The Standing Rock Sioux Indian Reservation, located on the west bank of the Missouri River, consists of approximately 2.3 million acres. The climate is arid with an average rainfall of 15 inches per year, and temperatures range from 100 degrees in Summer to 40 degrees below zero in winter.

Transportation and communication are problems on the reservation. There is no public transportation and distance between communities is great. Only a few highways cross the region. Service roads maintained by the Bureau of Indian Affairs and counties are poor and often impassable in winter and spring. Because of generally low income levels, few people have telephones. Rural isolation, then, is characteristic of the reservation.

There are 8,197 American Indians, mostly of the Hunkpapa band of the Teton Sioux, living in the area. Of these, 2,906 are under the age of sixteen. Approximately, 5,000 non-Indians reside within or near the reservation boundary.

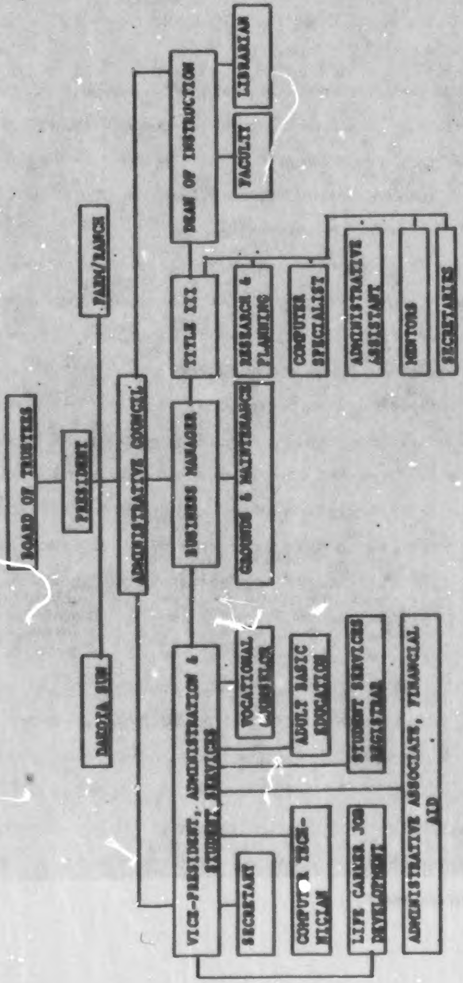
Indian and non-Indian populations differ. The Indian population is younger than the non-Indian population, and it is increasing more rapidly. According to 1980 census figures, the median age for North Dakota Indians was 16.4 years. The Indian population of North Dakota more than doubled between 1960 and 1980, and increased over 50% during the last decade alone. The statistics on poverty for the Standing Rock Indian Reservation point to some of the more harsh realities of reservation life. In a 1983 census of the Bureau of Indian Affairs, it was found that 79% of the potential reservation labor force was unemployed. Accurate information on Indian income is limited; however, according to figures in 1977, average Indian per capita income was 25% of U.S. per capita income. High unemployment and low incomes can be attributed, in part, to inadequate education.

Given the information presented in the preceding paragraphs, it is clear that Standing Rock Reservation is remote, poor, and without a great deal of hope for the immediate future.

One solution to the problems that face this reservation is to provide quality higher education at local sites so that individuals have the skills necessary to develop a better life on the reservation and compete in the larger society surrounding Indian country.

STANDING ROCK COLLEGE

ORGANIZATIONAL CHART


BOARD OF TRUSTEES
PRESIDENT
DAKOTA SUN
FARM/RANCH
ADMINISTRATIVE COUNCIL
VICE-PRESIDENT, ADMINISTRATION & STUDENT SERVICES
BUSINESS MANAGER
TITLE III
DEAN OF INSTRUCTION
SECRETARY
VOCATIONAL COUNSELOR
COMPUTER TECHNICIAN
ADULT BASIC EDUCATION
LIFE CAREER JOB DEVELOPMENT
STUDENT SERVICES REGISTRAR
ADMINISTRATIVE ASSOCIATE, FINANCIAL AID
GROUNDS & MAINTENANCE
RESEARCH & PLANNING
COMPUTER SPECIALIST
ADMINISTRATIVE ASSISTANT
MENTORS
SECRETARIES
FACULTY
LIBRARIAN

Standing Rock College (SRC) is a small tribally controlled community college located on the Standing Rock Sioux Indian Reservation in North Dakota and South Dakota. SRC is a candidate for accreditation with the North Central Association of Colleges and Universities and will be visited in April of 1984 for its final evaluation in its quest for full accreditation.

Course offerings consist of a basic two-year libertal arts program designed for transfer, a business education program, occupational education programs, an agricultural education program, and upper division courses in conjunction with Minot State College (Minot, North Dakota). The College also offers Adult Education courses for the reservation.

SRC has been operating since 1972 and presently has an enrollment of 260 students with an FTE of 224. SRC also owns and operates the Sioux County newspaper and assists the Tribe in various projects such as a Irrigation Project, JTPA training program, and workshops.

SRC has fulfilled a previously unmet need on the Standing Rock Reservation. This is reflected in the number of graduates it has produced since 1976. Most of the graduates had only SRC to turn to for higher education because of job commitments, family obligations, and geographic and cultural isolation.

The impact in numbers for 1975-1983 is as follows:

• Associate of Arts Degree	97 graduates
• Associate of Science Degree	21 graduates
• Bechelor of Science Degree	40 graduates
• Nursing Certificate	15 graduates
• Clerical Certificate	4 graduates

SRC's impact on its community will continue to be positive and productive in 1984 which will see its largest graduating class of 36 graduates.

P.L. 98-192, TCCC Act, will continue to have a major positive impact on SRC by providing it the resources to do the job on the SRSR. These resources have stabilized SRC's long range planning process, its budgeting process and built confidence in the institution through-out the communities and in the Higher Education world.

By re-authorizing P.L 95-471, Congress and the President demonstrated its belief and support in the mission of the TCCC's.

Some of the immediate positive effects of Public Law 98-192 are felt in the following areas:

1. Staff: SRC is able to hire more and qualified instructional staff. Previous instructional staff had been severely overloaded in their course load and many part-time instructors were needed. Now more full-time instructors are on board and the need for part-time instructors has been reduced. This brings continuity and a better learning environment to SRC for its students.
2. Accreditation: SRC has been able to work more diligently on the recommendations from North Central Association for full accreditation.
3. Curriculum Development: SRC has now the time and administrative staff to focus on projects which upgrade present and develop new curriculum for the students' educational needs.
4. Instructional, Administrative, and Support Staff Development: Public Law 98-192 will allow SRC's staff tot ake the opportunities offered to upgrade their present skills. this greatly enhances SRC's staff's ability to do a better job for the students and the community

As can be seen by the few examples stated above, PL 98-192, has been the stabilizing force need by SRC. PL 98-192 funds make up approximately 50% of the total budget of the College. The other sources being compative federal grants which have a one to three life, student registration which is very limited, and some state year to year grants for Vocational Education.

It must be stated that the passage of PL 98-192 by Congress has greatly enhanced SRC's effort to gain full accreditation status. North Central Association puts a great deal of emphasis on the stable funding base of an institution.

SRC states for the record its recommendation that Congress and the President fund it and other tribally controlled community colleges at the $4,000 per/FTE figure authorized by PL 98-192 in this budgeting cycle. These funds would go towards the further development and improvement of the tribally controlled community colleges. It must be remembered that SRC and other tribally controlled community colleges are their people's most viable option to retain and insure a better life and economic future for their tribes.

Revenue Need 1984/85, PL 98-192

SRC Projects an FTE of 275 students for 84/85

General Fund: Which Includes the Following:

A. Personnel, board expenses, housing, travel, office expenses, graduation, student expenses, equipment, capital outlays & equipment, maintenance of building, telephone, and library.

275 FTE x 4000 per. = $1,100,000.

Special Needs:

A. Construction:	1. Bullhead, SD Center	$70,000.
	2. Little Eagle, SD Center	$70 000.
	3. Wakpala, SD Center	$70,000.
	4. McLaughlin, SD Center	$70,000.
	5. Cannon Ball, ND Center	$70,000.

$ 350,000.

Five learning centers are in the planning stage at SRC due to the large demand of the students in the districts on resources and Instructors.

Training and Technical Assistance: SRC has based its projected T & TA need on expenditures from last year and increased student load.

$ 13,750.

Endowment Program: SRC expects to raise funds through-out 84/85 amounting to:

$ 30,000.

TOTAL NEED FOR 84/85: $1,493,750.

Revenue Need 1985/86, PL 98-192

SRC Projects an FTE of 300 students for 85/86

General Fund: All items mentioned in 84/85 budget:	$1,200,000.
Special Needs:	
A. Construction of main campus facilities:	
a. Student union/classroom/athletic facility:	$1.5 million
b. Two dormitories, men & women	$ 200,000.
T & TA:	$ 13,750.
Endowment building program matching fund:	$ 50,000.
TOTAL NEED FOR 85/86	$2,963,750.

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PREPARED TESTIMONY OF THE SINTE GLESKA COLLEGE, SUBMITTED BY RODNEY BORDEAUX, CHAIRMAN, SGC BOARD OF DIRECTORS AND LIONEL R. BORDEAUX, PRESIDENT

I. INTRODUCTION

Sinte Gleska College is a Tribally-controlled college located on the Rosebud Sioux Indian Reservation in south central South Dakota. Chartered by the Rosebud Sioux Tribe in 1971, the institution provides post-secondary educational opportunities and services for residents of the reservation and adjacent areas as its primary mission. The College is named after Sinte Gleska (Chief Spotted Tail), who was a strong advocate for the education of his people, the Sicangu or Burnt Thigh band of the western Teton Sioux.

Since the offerings of its first classes in February 1971, Sinte Gleska College has made significant strides toward the development and establishment of a reservation-based, Tribally-controlled education model. Among many noteworthy achievements, the most significant accomplishment to date concerns the institution's accreditation efforts. On February 1, 1983, the College was approved and granted initial accreditation by the North Central Association of Colleges and Schools at the associate and baccalaureate degree-granting levels. With this formal action, the College becomes the first reservation-based, Tribally-chartered college in the country to be accredited at the bachelor or four-year degree level and the second institution at the associate or two-year degree level. Navajo Community College in Arizona earned the leading distinction with respect to the two-year degree granting status.

The successful outcome of the accreditation effort reflects the tremendous strength of and commitment toward Chief Sinte Gleska's vision to establish a viable and Tribally-controlled education system. The formal granting of accreditation by the North Central Association of Colleges and Schools provides

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substantial evidence that available resources have been successfully applied and utilized toward the objective of providing community-based education in a manner unprecedented in Tribal and American education.

In pursuit of this certification, Sinte Gleska College has made other measurable achievements during its twelve year history. A total of 114 students have graduated since the awarding of the first two degrees (associate) in 1973. The institution has now granted ninety-six (96) associate or two-year degrees and eighteen (18) baccalaureate or four-year degrees. In addition, seven (7) secretarial certificates have been awarded to students successfully completing the one-year training program. The Adult Basic Education program has produced 895 G.E.D. (high school equivalent diplomas) graduates. This compares favorably against the BIA's track record of 100 graduates during the 10 years the program was administered by the BIA previous to Tribal contracting through the College in 1972.

The institution has compiled a summary of the post-graduate status of students awarded degrees at the associate and bachelor level. In general, of the total 114 graduates, 72% are currently employed, 9% are actively pursuing advanced educational studies on a full-time basis; and 5% are unemployed by reason of death, retirement, health or family considerations.

Of the total (96) associate degree graduates, seven (7) have subsequently acquired a four-year degree and an additional nine (9) graduates are currently pursuing bachelor degree studies. These indicators of Sinte Gleska College's success seem ever more remarkable considering a reservation unemployment rate in excess of 80%.

Of the total (18) baccalaureate degree graduates, 69% are currently employed. All eleven (11) four-year teacher graduates are certified through the state of South Dakota and are presently working in local elementary schools, where the teacher turnover rate approaches 40% each year. The first baccalaureate graduate (1980) is currently enrolled in his third year of law school at the University of South Dakota School of Law in Vermillion, South Dakota. Another is pursuing master degree studies in social work at the University of Utah.

While Sinte Gleska College can boast of [illegible] remarkable success of its academic and G.E.D. programs, much work remains to ensure the continuation and continuity of its management and delivery system. The College recognizes that it must continue the internal assessment of institutional operations. Central to this assessment is the identification and application of physical, human, and in particularly, fiscal resources.

The education of the reservation population is the primary mission of the institution. One evaluation of this area involves the assessment of student enrollment and how enrollment impacts the institutional resources of the College.

II. STATEMENT OF NEED

Like many other higher education institutions, Sinte Gleska College has assumed an increasingly conservative posture with respect to the development of annual operational budgets. Traditional funding sources, nearly all derived from a federal base, have substantially been reduced, eliminated, or maintained at inproportionate levels with respect to need.

Given fiscal limitations, the Sinte Gleska College Board of Directors have taken serious measures to accommodate budget constraints. Approximately thirty (30) personnel positions have been retrunched since FY'81. For the 1982-83 academic year, nearly all employment contracts were reduced from 12 to 10 months. Fringe benefits remained at 12% compared with substantially higher percentages at other university and college systems. Staff travel has been restricted to on-reservation instructional activities only. Since FY'81, there have virtually been no budget provisions for the replacement of equipment, renovation of existigg facilities, or the expansion of current library holdings. In FY'83 summer school activities were scheduled at a minimal level primarily to allow potential graduates to complete degree requirements. The ability to continue future summer school sessions is highly speculative.

The FY'84 Sinte Gleska College budget continued the "bare bones" operational status of the institution and, in essence, reflects the College's realistic needs. The budget included no salary or cost of living increases, no additional personnel, no adjustments in terms of current travel, equipment, (etc.), and maintained ten-month faculty contracts.

The FY'84 institutional budget assumed the continuation of current Tribal support contracts and multi-year categorical grants at FY'83 funding levels. Funds are provided through the Department of Interior and the Department of Education to comprise nearly all of the institution's fiscal base.

Through the utilization and administration of two (2) Tribal contracts by authority of P.L. 93-638, the College receives support funds for basic higher education operations, adult basic education, and student financial aid scholarships.

Categorical grants fro[illegible] Department of Education are anticipated to continue academic and student se[illegible] funding. The College expects the continuation of several multi-year grants including Title III - Strengthening Developing Institutions Program (SDIP); Title IV B - Special Services for Disadvantaged Students (i.e. SGC Study Skills Program); and the Fund for the Improvement of Post-secondary Education (FIPSE), which supports the newly-established SGC Lakota/Fine Arts department. Separate grant allocations are expected to continue to be provided by the Department of Education for student financial assistance including Pell (BEOG), SEOG, and College Work-Study grant programs.

In terms of institutional tuition revenue, the current rate is established at $30.00 per credit hour and total collectible tuition revenue comprises about 10% of the institution's fiscal resources. The Sinte Gleska College Board of Directors took action prior to FY'83 to impose the College's first tuition hike from $16.50 to $30.00. The undergraduate tuition rate at State universities and colleges in South Dakota is presently $25.52 (resident) and $52.89 (non-resident) per credit hour. The state governor is proposing a 7% tuition increase for the next budget cycle.

Funding provided by the Bureau of Indian Affairs via P.L. 95-471, the Tribally-Controlled Community College Assistance Act of 1978, represents the largest (40%) source of revenue for the College. The current budget is developed using a pro rata figure of $2812 per Indian F.T.E. With increased enrollment at the tribal colleges, this Spring Semester the amount available per F.T.E. is proportionately reduced. Because Sinte Gleska College is operating with a minimal budget and because P.L. 95-471 ~~is~~ used primarily for instruction costs and operations, a reduction of this source of funding would be disastrous to the College.

Sinte Gleska College requests a supplemental appropriation for FY'84 to maintain the established pro rata figure of $2812 per Indian F.T.E.

III. P.L. 93-192 APPROPRIATIONS

P.L. 98-192, an act to amend and extend the Tribally-Controlled Community College Assistance Act of 1978, contains some new features which will be beneficial to the funding and development of Tribally-controlled community colleges. The concept of forward funding, facilities construction, and the development of endowments are vitally important to the future of Sinte Gleska College. Also important are appropriations set at authorization levels which increase over time recognizing increased costs.

Forward funding, common for most educational institutions receiving public dollars, will establish appropriation levels for a two-year period rather than the current one year and will enable Sinte Gleska College to better plan the offering of its educational programs.

The major advantage to Sinte Gleska College of being able to determine the amount of P.L. 98-192 funds available to the institution for a two-year period, will be greater continuity and stability in providing instructional services year to year and an enhanced ability to define the need for additional institutional resources.

The current recommendation of the Bureau of Indian Affairs for Tribal Community Colleges for 1985 is 6 million dollars or $400,000 less than the current 1984 appropriation. In utilizing the same pro rata figure as 1984, the recommendation of the Bureau of Indian Affairs seems based on a decline in student enrollment for 1985. This recommendation is not realistic. Not only have student enrollments been steadily increasing but changes in the formula for counting Indian students in P.L. 98-192 will enhance the number of eligible students. Also, P.L. 98-192 authorized a $1925 increase in the pro rata figure of $4000 for Fiscal Year 1984 with more modest increases for Fiscal Year 1985, FY 1986 and FY 1987.

A major concern of Sinte Gleska College focuses on the level of appropriations authorized for eligible Tribally-controlled community colleges. The problem since the enactment of the law has been that funding has never been appropriated at the authorized level of $4000 per F.T.I.E. The pro rata amount has fluctuated between $2700 and $3100 but this is never established until after the Congressional appropriations process. To date, the pro rata amount has been dictated more by Congressional appropriations rather than by actual student enrollments within a given fiscal year. As a consequence, the level of funding allocations to individual schools have been determined primarily by total appropriations instead of remaining sensitive to actual F.T.I.E. numbers.

The solution to this problem and our recommendation is establishing P.L.

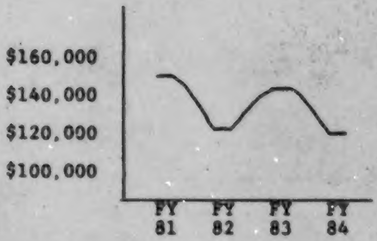
98-192 appropriations at the full $5028 per F.T.I.E. for FY'85 as amended by law. This would provide the necessary operational funding accurate and sensitive to student enrollments (F.T.I.E.).

In order to provide a modest 5% raise ($57,807) for faculty and staff increasing faculty contracts to 12 months ($59,201), and to cover instruction costs currently covered by developmental and other short-term categorical grants ($358,029), Sinte Gleska College will need an additional $475,037 a year in support from P.L. 98-192 for basic operational support for an additional $1988 per Indian F.T.E. Given the current $2812 per Indian F.T.E. rate Sinte Gleska College will need a minimum pro rata figure of $4800 for operational support next year. In the case of instructional costs covered by developmental and other short-term categorical grants, Sinte Gleska College has lost a nursing degree program covered by a grant from the Indian Health Service and will lose its Lakota Fine Arts program this year with the end of a F.I.P.S.E. grant. We will be unable to develop an allied health program and an associate of science degree for lack of funds in basic operation or categorical grant support.

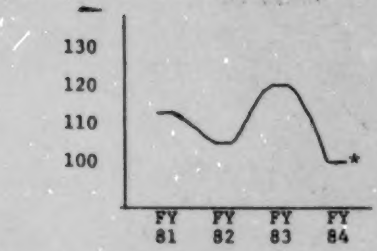
IV. BIA HIGHER EDUCATION SCHOLARSHIPS

BIA higher education scholarships are critical to the pursuit of academic studies on the reservation. Given the economic nature of the reservation area, and perhaps more specifically the unemployment rate, nearly all students must seek financial assistance to attend college.

BIA Higher Education Scholarship Program at Sinte Gleska College (FY'81-FY'84)

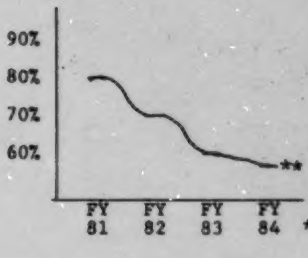


Annual BIA Scholarship Funding Levels



Number of Rosebud Agency Students Funded

*Anticipated Students



Percentage of Financial Need Met

**Anticipated Percentage

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Sinte Gleska College is unique in that it maintains a special contract arrangement with the Tribe and BIA Agency office in administering scholarship monies to eligible students enrolled at the College. Through this arrangement, which was initiated in 1977 via a P.L. 93-638 contract, Sinte Gleska College has historically received about 25% of the total Rosebud Agency Higher Education Scholarship allocation and has enabled a more direct and responsive service for tribal members in terms of their financial aid concerns. As administered by Sinte Gleska College, the B.I.A. Higher Education Scholarship Program is designed to fund as many students as possible and therein help defray a certain portion of their various educational and related cost of attendance expenses.

Yet, as discerned in the preceding B.I.A. Higher Education Scholarship Program data, since FY'81, the annual funding level has decreased from $152,000 to $120,000 and the percentage of financial need met has decreased from approximately 80% to below 60%. These decreases translate into less total available funds, less overall student awards and more unmet financial need, both individually and collectively. These decreases are further compounded by an increasing student enrollment amongst full-time Rosebud Agency students. The unfortunate end result is an overall added financial need for Rosebud Agency students, and oftentimes, a situation wherein the tribal member does not receive any financial assistance funds.

For FY'84, Sinte Gleska College has once again requested a supplement through the Rosebud Agency in order to provide a greater number of local post-secondary students with B.I.A. Higher Education Scholarship Awards.

However, because total Agency scholarship funds are established at predetermined levels, the prospects of securing additional scholarship monies are minimal to non-existent. This points to the inadequacy of Bureau of Indian Affairs scholarship grants being budgeted and allocated from the local

BIA Agency budget. All eligible students attending both Sinte Gleska College and off-reservation institutions must tap scholarship grants from the same Agency allocation.

One idea that the College wishes to propose and pursue is the separate allocation of scholarship grants for eligible Tribal members specifically attending reservation-based colleges such as Sinte Gleska College. This proposal would involve the budgeting of higher education grants for reservation-based college students distinctly separate from the general Tribal scholarship allocation. Separate scholarship grant monies could be processed directly to reservation-based colleges through the local BIA Agency offices. This proposal would eliminate the direct competition of available funds between institutional scholarship needs, general Tribal scholarship needs (i.e. off-reservation college students), and other Tribal/BIA program needs, all of which derive monies from the same funding pool.

Given this need, Sinte Gleska College would request Congressional consideration for supplemental appropriations to provide additional BIA scholarship funding.

V. TRIBAL HIGHER EDUCATION CONTRACT SUPPORT FUNDS (SNYDER ACT)

During the initial stages of institutional development, the College pursued funding through the Bureau of Indian Affairs for basic operational support. The institution was eventually approved for a small operational grant by the BIA under the authority of P.L. 67-85, the Snyder Act of 1921. With the passage and implementation of P.L. 93-638, the Snyder Act monies were provided through the Tribal "638 contracting" option of these funds. This was conceived as one effort by the Rosebud Sioux Tribe to establish at least one suitable funding source for Tribal higher education purposes.

The resultant problem and continuing concern associated with this funding source has been one of safeguarding annual appropriations. Up until 1980, the

Snyder Act or 638 contract monies were appropriated and allocated through the Tribal "banded" budget process in the amount of $358,300. When it became evident that Indian community colleges would be receiving appropriations via P.L. 95-471 authority in FY 1980, the BIA made a unilateral decision to eliminate the budget category for higher education from the Tribal budget, effectively eliminating contract funds. However, legislative provisions of P.L. 95-471 specifically and explicitly allowed eligible community colleges to receive both sources of funding. When the Tribe's efforts were unsuccessful in negotiating with the BIA for the restoration of these funds, it was only through the actions of a Congressional sub-committee that the Bureau modified their decision on the issue. However, in the restoration process, the BIA imposed an unanticipated reduction of $200,000 from the higher education contract. The final allocation which was eventually provided in FY'80 was $136,500.

Needless to say, the initial fiscal benefits derived from first year (FY'80) 471 appropriations were offset by the reduction in Tribal higher education contract monies. The problem of safeguarding Snyder Act funds has continued to persist through subsequent fiscal year budget processes at the Tribal/BIA Agency level. In particularly, the development of the FY'83 and FY'84 Tribal/Agency budget proposals created a bitter and intensive conflict between the Tribal Council and local BIA administrators. The problem and source of contention stemmed from arbitrary BIA manipulations of tentative budget allocations for Tribal 638 contracts without Tribal Council input or approval. Paramount to Tribal concerns was again the BIA's attempt to eliminate monies for Tribal education programs, including the higher education and adult education contracts. Under the same general budget category, Part A - Education, higher education scholarships were also subject to the same proposal for reduction or elimination.

The FY'83 Tribal/BIA Agency budget dispute was eventually resolved on October 1, 1983. The resultant action, as approved by the BIA Area and Central offices, was to restore the education contract funds at the previous fiscal year levels. However, for FY'84 appropriations, the BIA Agency has submitted initial budget documents which again zero out higher education and adult education funding allocations. The Rosebud Sioux Tribe has submitted its own FY'84 budget proposal with the education contract funds restored but at a 10% reduction.

This latter action points to another critical concern in terms of general Tribal appropriations. Since educational support funds are derived from the same general Tribal/BIA Agency budget, Tribal educational programs are pitted against other Tribal program needs for funds. The total fiscal appropriation for the Tribe has been and continues to be reduced each year. Consequently, there are less funds to allocate for Tribal program purposes. How does education become any less important than law enforcement, social services, or natural resources when these and other Tribal programs and services derive budget funds from the same appropriation pool to the Tribe?

The FY'84 Tribal/BIA Agency budget dispute has yet to be resolved. There has been no indication to date that the BIA has taken any action to address this problem. Consequently, budget planning for College program operations continued to be diminished in terms of anticipating institutional revenue for the 1983-84 academic year.

At this time, the College would reiterate its support of Tribal efforts in not only maintaining the educational contract funds, but also securing the restoration of Snyder Act monies at the previous level of $358,300.

A historical synopsis related to the contracting and funding of the Tribal higher education program is attached to this testimony.

SUMMARY

In summary fashion, Sinte Gleska College would request Congressional consideration and support of the following recommendations related to our institutional funding needs:

1. A supplement appropriation for FY'84 to maintain the $2812 pro rata figure.
2. Appropriation of P.L. 98-192 funds at the legislatively-mandated level of $5025 per full-time Indian student (F.T.I.E.) for 1985 and $5415 for 1986;
3. Increased appropriations of BIA Higher Education Scholarship grant funds via minimum appropriation levels established according to Tribal/Agency need; and
4. Restoration of Tribal higher education (638) contract funds (i.e. Snyder Act allocations for Tribally-controlled colleges) for the Rosebud Sioux Tribe at the previous level of $358,300 via appropriation supplement or "add-on" to the Agency budget.

Your attention and consideration of these issues is urgently requested.

Historical Synopsis Related to the Contracting and Funding of

Reservation-Based Higher Education on the Rosebud Sioux Reservation via

P.L. 67-85: the Snyder Act of 1921

and

P.L. 93-638: the Indian Self-Determination and Education Assistance Act of 1975

Submitted By:
Sinte Gleska College
P.O. Box 37
Rosebud, South Dakota
57570

BEST COPY AVAILABLE

INTRODUCTION: INITIAL CONTRACTING AND FUNDING

Sinte Gleska College, like many other Tribally-controlled community colleges, began operations with virtually no financial resources. The Rosebud College started with an initial start-up budget of about $15,000 derived primarily from private foundation contributions.

In 1971, the College pursued the idea of contracting for funds from the BIA to provide higher education and adult education programs established within the Bureau. Former BIA Commissioner Louis Bruce responded enthusiastically to the concept of a reservation-based higher education program and initiated the legal research about the contracting idea. Once it was determined that contract funding was a viable option, the BIA provided both Sinte Gleska College and Oglala Sioux Community College (Pine Ridge, S.D.) with small operational grants. This action marked the first instance of the [illegible] commitment to provide funding and resources for the community colleges. It also reflected the acknowledgement of and established funding for the institution's basic operating costs.

With the initial funding allocation, the BIA extended a series of commitments to provide up to 75% of future institutional budget needs for the colleges. However, efforts by the schools to secure subsequent funds proved difficult. The reality of BIA funding allocations for Fiscal Years 1972 through 1980, although benefitting a limited fiscal base, produced far less monies to accommodate the operational support needs of the colleges. At one point in 1972, former Senate James Abourezk intervened on behalf of the community colleges and requested that the BIA maintain their original funding commitments.

The subsequent history of contract support funding provided for reservation-based higher education programs reflects numerous attempts by the BIA to, in fact, terminate support funding. Throughout its history, the BIA cited any number of philosophical and technical reasons for not funding higher education programs. One primary issue was BIA's contention that there was no specific legislation authorizing support funding of Indian community colleges. However, the BIA traditionally used P.L. 67-85, the Snyder Act of 1921 and P.L. 73-167, the Johnson O'Malley Act of 1934, as broad authorization for legislated but non-specific educational programs. The Snyder Act was eventually identified as the legislative authorization for the designation and utilization of federal monies provided to the community colleges.

These contract support or "Snyder Act funds" have largely been maintained since 1972 only after efforts were made by the college, the Tribe and Congressional representatives to exert pressure for the fulfillment of BIA funding commitments. The BIA continued its efforts of manipulating or circumventing federal regulations, departmental policies, and program budget processes (i.e. Tribal/BIA budget development) to thwart the effort by the Tribe to maintain these educational contract funds.

One substantial change in the allocation of support funds occurred in 1975 when former BIA Commissioner Morris Thompson recommended that the contract allocations be placed on the Tribal/BIA Agency budget as a separate or "banded" budget category. The result of Mr. Thompson's recommendation forced the College to seek necessary funds from general Tribal funding allocations. Consequently, Snyder Act monies became subject to the budgeting process as prescribed by the contracting provisions of P.L. 93-638, the Indian Self-Determination and Education Assistance Act. Implementation of the 638 contract process required the Rosebud Sioux Tribe to designate funds from its own funding pool and the College, in turn, negotiated direct contracts with the BIA. The latter authorization for contracting is derived from the Tribally-chartered status that the College possesses.

It is at this point that "Snyder Act monies" and 638 contract (higher education) monies have become synonymous in reference to the College's educational contract funds. The transition of initial contract allocations via the Snyder Act to the 638 contract mechanism transferred the responsibility of budgeting, prioritizing, and subsequent funding for the community college to the Tribe.

PROBLEM - CONTRACT MONIES AND P.L. 95-471

Because of other critical Tribal needs, educational funding through the 638 contract process has provided the College with only a small percentage of necessary monies for basic operational support. Additional support dollars have been generated by tuition revenue and recovery of indirect costs from other federal grants. But the sum of these dollars have consistently fallen short of basic support needs. At best, the College's funding base has been supported by "soft monies" of federal education grants designated for specific educational uses and not for basic operating costs. With the growing fragmentation and instability of Tribal and federal funding sources, the College became aware of the critical need to establish a stable funding source which would provide basic operational monies.

Cognizant of this situation, the College joined other Tribally-controlled community colleges in a legislative effort to secure a stable funding source. After several years of diligent work with the executive and legislative branches of the federal government, the effort resulted in the passage of P.L. 95-471, the Tribally-controlled Community College Assistance Act of 1978. The major intent of the legislation was to provide eligible institutions with funding for basic operational support needs. Appropriations were to be determined based on a student enrollment formula of $4,000 per full-time Indian student. The BIA was given the responsibility of implementing and administering the Act.

Since the passage of this legislation, several unanticipated shortcomings have arisen. But the major problem in relationship to the Rosebud-based College focused on the safeguarding of Snyder Act support monies. When it became evident that Indian community colleges would be receiving 471 funds beginning in Fiscal Year 1980, the BIA Central Office of Financial Management made a unilateral decision to eliminate the Tribal budget category (#1365-Part A) which identified the higher education monies. However, the legislative provision of P.L. 95-471 (Sec. 108) specifically and explicitly allowed eligible institutions to receive both sources of funding. Two other schools - Oglala Sioux Community College and Turtle Mountain Community College (North Dakota) - utilized Snyder Act dollars and were also affected by this BIA action. This decision was executed without consulting or informing the Tribes, the colleges, or the local BIA Agency offices.

What the BIA accomplished was the illegal expropriation of Tribally-banded funds in direct violation of Congressional law (P.L. 95-471, Sec. 108). It was the contention of the BIA that the schools could not utilize both sources of funding for higher education purposes. Throughout FY'80, the colleges and the BIA waged a feverish correspondence battle on this issue. Sinte Gleska College formalized the FY'80 638 contract, as initiated by the local BIA Agency, only to discover that no dollars were attached. Both the BIA Agency and Area Offices disavowed any knowledge of the controversial decision. At one point, former BIA Agency Superintendent George Keller specifically requested a clarification on the matter by the Central Office. On February 4, 1980, the Rosebud Sioux Tribal Council passed RST #80-31, which called for corrective action. There was a continuous flow of assurances by the BIA Central Office administrators that the category and monies would be restored. No immediate action was evident at the time.

It wasn't until the latter portion of FY'80 (April, 1980) that the BIA, yielding under Congressional intervention and pressure, finally researched the issue and determined that the Bureau's position would be modified. Correspondence by Deputy Assistant Secretary for Indian Affairs, Rick Lavis, Acting BIA Education Director Noah Allen, and Interior Under Secretary James Joseph clarified the discrepancy and indicated that action would be taken to restore the budget category and funds ($358,300). What actually evolved was the reversal of the BIA decision, the restoration of funds (from another budget categoty - Part D of the Central Office budget), but not the restoration of the budget category to the Tribal "band" budget. It wasn't until December 1980 that Acting BIA Education Director Gabe Paxton notified the schools that the category had been restored to the Tribal budget. In the transition, the title of the band category had been changed from "Higher Education" (not to be confused with "Scholarships") to "Tribally-controlled Community College."

Another significant change evolved prior to the beginning of Fiscal Year 1981 (September 1980). The BIA informed the College that the BY'81 Higher Education allocation would be reduced by $200,00[illegible]. According to the letter by Acting Deputy Assistant Secretary Philip Del[illegible]ria, the BIA would provide only $158,000 which was to be considered [illegible] to monies already available in the Tribal budget. There was speculation that no funds above the reduced level were restored to the tentative FY'81 Tribal budget. This was confirmed with subsequent "Advice of Allotments" documents reflecting a reduced level of funding at $136,500. During the funding restoration process, the Rosebud Sioux Tribe and its community college incurred a loss of $200,000+ in higher education contract funds.

By the conclusion of FY'81, the necessary corrective measures were taken by the BIA to restore the Tribal budget category and a reduced level of funding for the higher education program. The level of funding allocations for each subsequent fiscal year has remained at $136,500.

PROBLEM - ZERO BASE BUDGETING FOR FISCAL YEAR 1983 & 1984

The problem of safeguarding the higher education contract support funds continued to persist in the determinations of subsequent fiscal appropriations. This issue emerged again in the development of the FY'83 and FY'84 Tribal/BIA Agency budgets.

Briefly, the local BIA Agency and Tribal budgets for a given fiscal year are developed and finalized approximately 18 months in advance through a mechanism referred to as "Zero Base Budgeting." Given a base level funding, which is generally the previous fiscal year's funding level, budget allocations are determined and prioritized (ranked) for each Tribal and local BIA program. There are several Tribal contract programs listed as budget categories including SGC Higher Education and Adult Basic Education programs.

The Bureau has traditionally initiated ZBB activities around each December. Ideally, this should be an on-going process throughout the year. The process involves representatives of the Tribe and the BIA, who theoretically coordinate as a "ZBB committee" in reviewing, budgeting, and prioritizing proposed budget allocations for Tribal and BIA programs. Once allocations and program rankings are established, this information is forwarded to the Tribal Council for concurrence and approval. The final proposed budget is then submitted to the BIA Area Office, Central Office, and ultimately through federal channels to the U.S. Office of Budget and Management for inclusion in the President's appropriations request to Congress.

The reality of Tribal involvement in the local budget process has at best been marginal, primarily due to the initiatives and actions assumed by the BIA. While the BIA has made efforts to solicit Tribal input in the budget formulation process, the Tribe has discovered that actual budget determinations and subsequant allocations are dictated by the BIA. Such has been the case of budget development activities for the FY'83 and FY'84 Tribal/BIA Agency fiscal appropriations.

During the spring of 1981 and 1982, the Rosebud Sioux Tribal Council became aware that the BIA Rosebud Agency had developed and submitted the FY'83 and FY'84 budgets without the desired Tribal participation and concurrence. Among many concerns was that the BIA had arbitrarily eliminated funding in each budget for the higher education (i.e. Snyder Act monies) and adult education contract programs. Tribal input had been solicited and secured for the purpose of program budget reviews, but not to the extent of determining and approving proposed budget allocations.

In each instance of budget developments, the BIA contended that internally-imposed deadlines within the Bureau system negated ideal Tribal involvement (i.e. Tribal Council approval). Both FY'83 and FY'84 budgets were submitted to the BIA Area Office with a commentary about the lack of Tribal participation in the final decision to approve the proposed budgets. Needless to say, the Tribal Cuncil has taken great exception to the apparent circumvention of Tribal authority and insensitivity of Tribal program needs as demonstrated by the BIA.

The Tribal Council initiated repeated efforts to address this continuing problem. Resolutions have been passed by formal Council action to reprimand the BIA and to recall the proposed budgets as prepared and submitted without Council approval. For each budget, the Tribal has submitted its own budget proposals, revised to include teh restoration of education contract monies. The last formal action taken by the Tribal Council, on June 17, 1982, reiterated the request that the BIA take all corrective measures in conformity to

Tribal need. The resolution also directed that the Tribe and BIA seek additional appropriations for the higher education contract program with the intent to restore the contract funds at previous levels. The consistent response by the local BIA Agency has been that the budget problems were out of their administrative control and that resolution of those issues were subject to Central Office action.

CURRENT STATUS OF FY'83 and FY'84 TRIBAL/BIA AGENCY BUDGETS

The FY'83 budget dispute between the Rosebud Sioux Tribe and the BIA was resolved on October 1, 1982. Obtaining clearance from the BIA Central Office, the Area Office notified the Tribe that the revised budget, including the restoration of Tribal education contract funds, was approved. Consequently, the BIA proceeded to process the higher education contract for FY'83 at the tentative level of $136,500.

Both the Tribe and the BIA have negotiated and submitted a revised budget for Fiscal year 1984. As noted earlier, the initial FY'84 Z.B.B. documents reflected zero funding for the Tribe's education contracts. The revised budget, taking into consideration the reduced base level of total Agency funding anticipated for FY'84, reflects a 10% reduction of education contract funds. As a result, the revised budget proposes to reduce the level of FY'84 Higher Education contract support funds to $122,850.

The Rosebud Sioux Tribe is currently awaiting an official response to the modified FY'84 Tribal/BIA Agency budget. To date, no action has been taken to pursue the procurement of supplemental appropriations for the restoration of the Tribal higher education contract funds at the previous levels.

Mr. ALEXANDER. Could we have the charts that you referred to for the record? You mentioned that you brought some charts. We do not necessarily need them today but later on we may.

Ms. WINDY BOY. It is in the written testimony that has been submitted.

We did make a quick total of the amounts we have paid in interest due to late payments, and it is averaging about $8,000 or $10,000 per college, so it it very costly.

That concludes our testimony. Thank you very much for your time.

Ms. BOYLAN. I have a question, Janine.

In the middle of your testimony you talked about student count and under the new law how it is different than the old law. What I would like you to do, if you could, is take me step by step through this, because just for fiscal year 1984, for example, the new law does not apply; is that correct?

Ms. WINDY BOY. That is correct.

Ms. BOYLAN. Will it in 1985?

Ms. WINDY BOY. It will in 1985.

Ms. BOYLAN. My question, first of all, is whether the Bureau's budget reflects those changes.

Ms. WINDY BOY. It does not reflect any of those changes at all. It is apparent they are using the term "FTE" rather than Indian student count.

Ms. BOYLAN. Just as they did last year?

Ms. WINDY BOY. Just as they did last year.

Ms. BOYLAN. Let me just take you through this. For example, Little Big Horn in 1982 had a student count of 32, and then in 1983 it had 81, and then in 1984 it had 91. Are those figures correct?

Ms. WINDY BOY. Those are correct. That is how we have grown.

Ms. BOYLAN. That is wonderful.

What do you project the fiscal year 1985 figure will be for Little Big Horn?

Ms. WINDY BOY. 130.

Ms. BOYLAN. 130? The Bureau estimates there will be no change?

Ms. WINDY BOY. That is correct.

Ms. BOYLAN. Is the 130 based on the new method of student——

Ms. WINDY BOY. It is based on the new method; based on growth, and cost of living.

The basic difference is this: that the full-time students have been counted as one, whether they take 12, 15, 18, or 20 credits. So under the old method they were just considered one FTE, and then all of the part-time students were summed and divided by 12. That entire amount was totaled for the year and divided by the number of academic terms.

Indian student count, however, takes the total registered Indian credit hours, divided by 12, and then again divided by the number of terms, and the result is consistently, across the board among the colleges, 10 to 15 percent more. If we looked at this current term literally, that is what the result would be.

It is apparent that the Bureau did not apply this new accounting method at all.

Ms. BOYLAN. Thank you very much.

Mr. ALEXANDER. We thank you all for coming today.

I assume there is a copy of your written testimony?

Ms. **Windy Boy**. Yes; we have turned in two copies.

Mr. **Alexander**. OK. I would like to see it.

Ms. **Windy Boy**. Thank you.

Mr. **Alexander**. Our next witness will be Lorraine Edmo, the American Indian Scholarship, Inc.

STATEMENT OF LORRAINE P. EDMO, DIRECTOR, AMERICAN INDIAN SCHOLARSHIPS, INC., TAOS, NM, ACCOMPANIED BY ROSE ROBINSON, BOARD MEMBER

Ms. **Lorraine Edmo**. Good afternoon.

My name is Lorraine Edmo, and I am director of the American Indian Scholarships Program, in Taos, NM. With me is one of my board members, Rose Robinson. She has been on the board for about 2 years, and she is director of the American Indian Program for the Phelps-Stokes Fund.

By way of introduction, the American Indian Scholarship Program is a nonprofit, tax-exempt corporation that started in the State of New Mexico. We fund American Indian and Alaskan Native graduate students from throughout the United States, and our primary purpose is providing them with funds to attend graduate school and get their masters, Ph.D. and medical degrees. We are currently assisting members of 90 tribes throughout 29 States.

We consider our program to be an investment in training quality, productive Indian citizens who will enhance the quality of life on Indian reservations and communities. Our attached exhibit No. 2 will give you an idea of the kinds of people that we have supported over the last 14 years.

Our alumni are living testimony to the caliber of people we have assisted. Most of them are now working for tribes, Indian communities, governmental organizations that work for Indian people. I believe they are serving as catalysts to other Indians who may be interested in enhancing their own educational background.

At the present time our student needs are not being met. For this past academic year, 1983 through 1984, we received 350 applications for assistance, and the total substantiated need for these students was $1,941,000. For this academic year, we received $785,000 from the BIA's Higher Education Program for student support. This amount represented only 40 percent of the student need. We estimate that during the coming year, as in the past couple of years, there will be an estimated 8 percent rise in tuition costs and also a 3.5 percent rise in the cost for stipends. This represents a cost of $233,000 just to maintain the current program.

Since our last appearance before the congressional appropriations committees last year, we have had an additional 600 requests for assistance, which represents 250 additional requests for the coming school year. So you can see there is an increased demand for education and for financial aid for Alaskan Natives and Indian students in the lower 48.

We are working toward establishing an endowment for the future, but until that time arrives we will need Federal support to keep our students in school. Our goal is to set up a self-perpetuating endowment similar to that established by schools like Harvard and Princeton. But in the interim, we had to look toward Congress and the Federal Government to provide this assistance, since it is not being met by any other source.

Of the 290 federally recognized Indian tribes around the United States, including Alaska, we found that there are only 46 that have programs for undergraduate students that have scholarship funds available.

Therefore, I am asking this committee to recommend to the full Congress an appropriation of $2.5 million which would adequately fund 325 American Indian and Alaskan Native graduate students for fiscal year 1985. I think this is a sound investment because we have 2,900 alumni who we have funded through AIS, and we estimate that each one of those alumni probably makes $20,000 a year and pays $4,500 a year in taxes. So for 1 year alone, they are paying $13.5 million in taxes to the U.S. Treasury. I think that shows that we have made a good return on Congress' investment over the past 14 years, and will continue to do so in the future.

We also request that this amount, the $2.5 million, be a special line-item appropriation in the BIA's budget specifically earmarked for American Indian scholarships, and we base this justification on the fact that we have an ongoing track record that is recognized by Indian people and non-Indian organizations throughout the country.

We have low overhead. We have a reliable and proven mechanism for disbursing scholarship funds, and there is no other national program that currently addresses this need.

Also, earlier this year there was $23,000 targeted to be cut from our fiscal year 1984 budget by the Department of the Interior. We would like to have this amount restored to our budget since we were specifically appropriated this amount by Congress last year. We feel this is a modest request in relation to the need we have outlined.

We have found that the average American Indian graduate student is older, usually has a family, has worked for a number of years, and has established their professional goals. Such a student, therefore, represents a sound investment in the future of Indian America.

Those people who have received AIS support are in leadership roles throughout the country, and many of them are testifying here today and also with the House Appropriations Subcommittee.

I would like to commend the administration for requesting a need of $978,000 for our program this year. Although it is more than what has been asked for in the past, it still does not meet our needs. We are currently funding 187 students at an average grant of $4,200. If we were to receive $2.5 million, less overhead, we could fund 325 students at $6,300 each. I might point out that this amount is below the poverty level for two people.

In closing, I would just like to say that I hope Congress will grant our request for $2.5 million, and I would like to thank you for your time and attention.

[The prepared statement follows. Testimony resumes on p. 176.]

PREPARED TESTIMONY OF
THE AMERICAN INDIAN SCHOLARSHIPS, INC.

Serving
American Indian Graduate Students
Nationwide

Presented by
Lorraine P. Edmo,
Executive Director

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Mr. Chairman and Members of the Committee:

I would like to thank you for the time you have extended to American Indian Scholarships, Inc. to present this testimony.

My name is Lorraine Edmo. I am a member of the Shoshone-Bannock Tribe of Idaho and am Executive Director of American Indian Scholarships, Inc. (AIS) located at Taos, New Mexico. I replaced Mr. John C. Rainer, former director, who retired on December 31, 1983.

American Indian Scholarships is a non-profit, tax exempt 501 (C) (3) corporation. It is a national organization which serves American Indian and Alaskan Native graduate students. Recipients of AIS support must be one-fourth or more Indian blood and members of federally-recognized tribes. Our purpose is to provide financial assistance to American Indian and Alaskan Native post-graduate students working towards Masters, Ph.D. and medical degrees. We currently assist members of 90 tribes from 29 states.

We consider our scholarship program to be an investment in training productive Indian citizens who will enhance the quality of life in Indian communities and on reservations. The attached Exhibit No. 2 provides examples of the kinds of people we have assisted during our 14 years of existence.

Our alumni are living testimoney to the caliber of people we have assisted. Most of them work for their tribes and communities or are working for a governmental entity or organization which serves Indian people. They serve as catalysts for other Indians who may want to enhance their own educational backgrounds.

Our student needs are not currently being met. For this academic year alono (1983-84), we received 350 applications. The total sutstantiated student need was $1,941,000. For this academic year, we received $785,000 from the BIA's Higher Education Program for student support. This represents only 40 percent of the student need. We estimate an 8 percent tuition increase from this year to next and an average cost of living increase of 3.5 percent for stipends. This represents an additional need of

$232,920 just to maintain the current program. Since our last appearance before you to request appropriations, we have had 600 requests for assistance which represents 250 additional requests for the upcoming academic year from prospective students. You can see, therefore, that there is a substantial increase in the demand for graduate-level education among American Indians and Alaskan Natives with corresponding increases in financial need.

While we are working towards establishing an endowment in the future, until that day arrives, federal assistance must continue to be a reality for our students. Our goal is to establish a self-perpetuating endowment similar to those established at the nation's most prestigious institutions of higher learning such as Harvard and Princeton. In the interim, AIS must look to the Congress and the federal government to provide this assistance to enable American Indian and Alaskan Natives to attend graduate school.

With your assistance, AIS is educating a high profile Indian/Alaskan Native citizenry who contribute to the nation's tax base through increased earning power. AIS currently has 2,900 alumni. We estimate that the average alumnus earns at least $20,000 a year and pays approximately $4,500 a year in federal income taxes. For one year, this represents a total of $13.5 million in taxes that these AIS recipients are paying into the U. S. Treasury. We believe this is a good return on your investments over the past 14 years.

I am therefore asking this Committee to recommend to the full Congress an appropriation of $2.5 million which would adequately fund 325 American Indian/Alaskan Native graduate students for fiscal year 1985. We request that this amount be a line item appropriation in the Bureau of Indian Affairs budget specifically for American Indian Scholarships, Inc.

Our justification for this request is based on the following considerations: (1) we have an on-going operation which has established a solid track record in administering a scholarship program for 14 years; (2) we have a low overhead cost which has not exceeded 15 percent in the last two years; (3) we have a reliable and proven mechanism for disbursing scholarship funds, and (4) there is no other national program which addresses this need.

Earlier this year, $23,000 was targeted to be cut from our FY 84 budget by the Department of Interior. We would like to have this amount restored to our budget since we were specifically appropriated this amount by the Congress last year. This is a modest amount to request in relation to the need we have outlined.

The task of securing support for Indian/Alaskan Native graduate students from private sources and educational institutions is most difficult. This is due largely to misconceptions which still exist that Indians are cared for by the federal government from the cradle to the grave. This places them at a great disadvantage when they compete for available assistance with the rest of mainstream America and other minority students.

We have found that the average Indian graduate student is older, has usually worked for a number of years, is responsible and often has a family. Such a student therefore represents an investment which brings a better than average dollar return as previously pointed out, and who has determined his or her professional goals. Those individuals who have received AIS support represent current and future Indian/Alaskan Native leadership as evidenced by the list of graduates and their occupations herein provided.

I would like to commend the present Administration for its current efforts in recognizing the needs of our program. Although this amount is higher than our previous level of funding, it still doesn't meet the need. We are currently funding 187 students at an average grant of $4,197. If we were to receive $2.5 million, less overhead, we could fund 325 students at $6,300 each. I want to point out that this is below the federal poverty level for two people and must cover tuition, stipends, fees, books, equipment and child care.

We sincerely hope that the Congress will grant our request of $2.5 million for fiscal year 1985.

Thank you for your attention, consideration and support.

AMERICAN INDIAN SCHOLARSHIPS, INC.
Taos, New Mexico 87571
FACT SHEET

OBJECTIVES & CRITERIA: The principal objective of AIS, Inc., is to provide funds for graduate level education for American Indian students. Secondly, AIS, Inc. is concerned with providing a cadre of educated American Indian professionals who may assist their own tribes in upgrading the health and standard of living for Indian people nationwide.

AIS serves Indian men and women throughout the U.S. and Alaska who possess at least 1/4 degree Indian blood who are members of federally-recognized Indian tribes. Applicants are also rated on their scholastic abilities.

STATUS: AIS was incorporated in the State of New Mexico in May, 1971 as a non-profit, tax-exempt, 501 (C) (3) corporation. It was founded in August, 1969 and has its principal office in New Mexico.

BOARD: AIS, Inc. is governed by an all-Indian Board of Directors representing eight geographic areas, plus one graduate student representative.

RECORD: In its thirteen years of existence, AIS has awarded almost 3,000 scholarships to American Indian graduate students. While we are proud of our success, we should point out the number of scholarships is only part of the actual need.

Those who have completed their graduate work with AIS assistance are now working in important leadership positions with their tribes, Indian organizations or in public or private service. (See sample listing attached).

NEED: The need for graduate level education for American Indians is acute. There are increasing demands on Indian tribes for their natural resources, for example. Indians have few professionals trained in the fields of engineering, law, business or resource protection who can plan resource use and conservation from the Indian perspective.

During academic year 1983-84, AIS received 350 completed applications for assistance; however, due to limited financial resources, we could only assist half of those applicants. We are currently serving 187 students. Since last year's appropriations hearing in February, 1983, AIS has received 600 requests for applications and information from people throughout the country.

REQUEST: We are requesting a realistic Congressional line-item appropriation of $2,500,000 which would enable us to provide financial assistance to 325 academic year and summer school students.

Costs for graduate school range from $7,000 to $22,000 or more depending on the discipline. Our average award is well below the amount of money needed for graduate studies and most students must find other revenue to attend school in addition to our funding.

IN SUMMARY: It is important to remember that virtually every major national Indian organization acknowledges the contribution made by AIS to Indian people. Indian groups and professional associations, including but not limited to, the National Congress of American Indians, the National Tribal Chairmen's Association, Americans for Indian Opportunity and the American Indian Physicians Association, as well as tribal groups and individuals have all supported AIS work through resolutions, letters and telephone calls. Equally notable is the active personal support extended to AIS by former U.S. Indian Commissioners who have also served on the Board of Directors.

#

Exhibit #1

AMERICAN INDIAN SCHOLARSHIPS, INC.

Board of Directors

John C. Rainer, Sr. Taos Pueblo	Director Emeritus, Retired December 31, 1983 as Director of AIS, Inc. after 14 years of service to the organization.
Joy Sundberg, President Yurok	Tribal Chairperson, Yurok Tribe; Trinidad, California
Marvin Franklin, Vice-President Iowa	Served as Assistant to the Secretary of Interior for Indian Affairs, 1973-74; currently President of the Indian Development Foundation, Bartlesville, Oklahoma
Joe Sando, Secretary-Treasurer Jemez Pueblo	Specialist in Indian Culture, Instructor, Institute of American Indian Arts, Santa Fe, New Mexico
James M. Cox Comanche	Former Tribal Chairman, Comanche Tribe of Oklahoma; past Regional Vice President, National Congress of American Indians; current Tribal Councilman; Midwest City, Oklahoma
Rose Robinson Hopi	Vice-President of Phelps-Stokes Fund, Washington, D.C. and Director of American Indian Programs for the Fund
Alice Bathke Navajo	Volunteer fundraiser/organizer for Indian-related events in the Albuquerque region. Active in community events. Board member since January, 1983

Exhibit #2

RESUME

Lorraine P. Edmo

PERSONAL INFORMATION

- Enrolled member of the Shoshone-Bannock Tribe of Fort Hall, Idaho.
- Married to Jerry J. Cordova, member of Taos Pueblo.
- Residence: Albuquerque, New Mexico.

EDUCATION

- Fort Hall Elementary School (completed in 5 years).
- Blackfoot High School, Blackfoot, Idaho, graduated May, 1966.
- Received BA degree in Journalism and Political Science in 1970 from University of Montana, Missoula.
- Completed a Special Program in Broadcast Journalism at Columbia University, New York, New York, 1971.
- Attended a summer program in Law for American Indians, Albuquerque, New Mexico, 1976.
- Received a Masters Degree in Public Administration in May, 1982 from the University of New Mexico, Albuquerque.

EXPERIENCE

- Newspaper Editor, Shoshone-Bannock Tribes, September, 1970-June, 1971.
- Television News Reporter, KID-TV, Idaho Falls, Idaho, September, 1971-August, 1972.
- Resource Development Specialist, Idaho Inter-Tribal Policy Board, Inc., September, 1972-December, 1973.
- Executive Director, Idaho Inter-Tribal Policy Board, January, 1974-November 1975.
- Consultant to the American Indian Policy Review Commission and American Indian Lawyer Training Program, January-June, 1976.
- Technical Writer/Corporate Secretary and Development Officer, Native American Rights Fund, Boulder, Colorado August, 1976-December 1980.
- Project Director, National Indian Youth Council's Indian Voter Survey Project, May, 1982-December, 1982, Albuquerque
- Employment Specialist, City of Albuquerque, January-August, 1982.
- Executive Director, American Indian Scholarships, Inc., January 1984 to present.
- Also served as a consultant in program development to DNA People's Legal Services, Inc. (1981) and the Western Network, Santa Fe, 1983.

HONORS AND AWARDS

- AIS Scholarship recipient 1973.
- Department of Indian Education Fellowshipp Recipient, 1980-1982
- Outstanding Young Woman of America Award, 1980
- One of five delegates to the White House Conference on Children and Youth, Washington, D.C., 1971.

MISCELLANEOUS

* Current Board member for the Division of Public Administration's Tribal Government Advisory Committee at the University of New Mexico.
* Former member of the State of Idaho's Human Rights Commission and Manpower Planning Services Council
* Former Board member of the Colorado Committee for Responsive Philanthropy.
* Member of the recently formed National Organization of Native American Women, Albuquerque.

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Exhibit #3

AMERICAN INDIAN SCHOLARSHIPS, INC.

A Representative Listing of Former Scholarship Recipients

Joe Abeyta; Superintendent, Santa Fe Indian School for the All Indian Pueblo Council; Santa Fe, New Mexico

Anna Albert; MPH; Assistant Administrator at Phoenix Indian Medical Center

Conrad Baines; Executive Director; Northeast Alaska Native Health Services; Juneau, Alaska

David Baines; MD; Residency-King/Drew Medical Center; Los Angeles, Received Kaiser Merit Scholarship AAIP Outstanding Medical Student Award, 1981

Lila Bird; MPH; Director, Native American Engineering Program, University of New Mexico; Albuquerque

Chet Blue Sky; JD; Department of the Interior, Southern Pueblos Agency, Tribal Government Services; Albuquerque, New Mexico

Lionel Bordeaux; President of Sinte Gleska Community College; Rosebud, South Dakota

Gerald Brown; Director of Law Enforcement Services, Laguna Pueblo, Laguna, New Mexico

Duane Champagne; PhD; Faculty in Sociology; University of Wisconsin; Received Rockefeller Foundation Fellowship 1982/1983

Emmett Chase; MD; Residency, Family Practice; Pueblo, Colorado

Robert Chiago; Director of Indian Studies; University of Utah; Salt Lake City, Utah

Leroy Clifford; Consultant to Assistant Secretary of the Interior for Indian Affairs, Washington, D.C.

Valentino Cordova; Education Superintendent; Northern Pueblos Indian Agency; Santa Fe, New Mexico

Eddy Crawley; DDS, Self-employed dentist; Helena, Montana

Ruey Darrow; MS, Microbiology; St. Patrick's Hospital; Lake Charles, Louisiana

Ferial Deer Skye; PhD; Internship; Pierre, South Dakota

Dee Ann DeRoin; MD; Clinic Director; IHS-Haskell Health Center; Lawrence, Kansas

Ronald Deviana; DDS, Self-employed dentist; Belgrade, Montana

Audrey Devlin; Assistant Health Director; St. Croix Tribal Council; Wisconsin

Charles Eaves; MBA; Program Coordinator; Association of American Indian Physicians; Oklahoma

Larry Echohawk; Attorney for Shoshone-Bannock Tribe of Idaho and Idaho State Legislator

Lucille Echohawk; Policy Analyst; Council of Energy Resource Tribes; Denver, Colorado

Angelita Felix; EdD; Agency Superintendent for Education; BIA-Fort Berthold Agency; North Dakota

Candace Fleming; PhD; Clinical Psychologist, Program Director; Flathead Indian Health Clinic; St. Ignatius, Montana

Pasqualita Frenier; MSW; Social Services Director; Santa Clara Tribe; New Mexico

Carole Garcia; MA; Manager, Tribal Youth Center; San Carlos Apache Tribe; Arizona

Elizabeth Garriott; MA; Instructor, Sinte Gleska College; South Dakota

Genevieve Gollnick; Curriculum Coordinator, Oneida Tribe; Wisconsin

Doctor Grants; MA; President of Media South, Inc., Nashville, Tennessee

Jeffrey Hamley; MEd; Student Development Specialist, Evergreen State College; Washington

Elizabeth Harvey; MA; Mental Health Technician; IHS, Santa Fe Indian Hospital

Norma Her Many Horses; MA; Language Arts Teacher; Red Cloud School; South Dakota

Norbert Hill; Director, Indian Educational Opportunity Program, University of Colorado; Boulder, Colorado

Ralph Honhongva; MA; Budget Analyst; The Hopi Tribe; Oraibi, Arizona

Robert Hunter; Superintendent, Carson Indian Agency; Stewart, Nevada; Chairman of National Board of Indian Health Advisory Board, University of California at Berkeley; Master of Public Health Program for Native Americans

Gilliam Jackson; MS; Program Coordinator; Cherokee Boy's Club, North Carolina

James Jefferson; Member, Board of Regents, Southwestern Indian Polytechnic Institute; Southern Utes Agency; Ignacio, Colorado

Rita Keshena; Attorney, Menominee Tribe of Wisconsin; Keshena, Wisconsin

Woodrow Kinney; MBA; Position Classification Specialist; Oklahoma City Area Indian Health Service; Oklahoma

Timothy LaFrance; JD; Attorney, Colorado Rural Legal Services; Durango, Colorado

Lori Lauriano; MA; Administrative Staff Member; Sandia National Laboratories, Albuquerque, New Mexico

Gilbert Lucero; Principal, Zia Pueblo School; Zia, New Mexico

Telesfor Lujan; MA; Counselor, Therapist; Urban Indian Child Resource Center; San Francisco, California

Beverly Mathews; MA; Native American Student Services Coordinator; University of New Mexico

Donald McCabe; Contracting Officer's Representative; BIA Eastern Area Office; Washington, D.C.

Isabelle Medchill; MA; Social Worker; School District #11; Colorado Springs, Colorado

Joseph Moquino; MA; Service Unit Director; IHS; Santa Fe, New Mexico

Joe Naranjo; MSW; Social Worker; Jicarilla Apache Agency; New Mexico

Lili Naranjo; MEd; Guidance-Counseling; Title IV Urban Indian Education; Albuquerque, New Mexico Public Schools

William Oandasan; MA; Learning Specialist; Institute for Native American Development #324; Chicago, Illinois

Keewaydonoquay Peschel; MA; Instructor of Ethnobotany/Native American Philosophy; University of Wisconsin

Bruce Phillips; DC; Doctor of Chiropractic Medicine

Joseph Rael; MA; Alcoholism Coordinator; Santa Fe Indian Hospital; Santa Fe, New Mexico

Howard Rainer; Assistant Director, Indian Services, Brigham Young University; Provo, Utah

Joyce Reyes; MSW; Resource & Evaluation Center Director; United Indians Foundation; Seattle, Washington

Joseph Rustick; Doctor in Residence, Phoenix, Arizona

Rena Salazar-Oyengue; MA; Director, Indian Division, New Mexico State Department of Education; Santa Fe, New Mexico

T. Parker Sando; JD; Realty Specialist; Bureau of Indian Affairs; New Mexico

Martin Seneca; Former BIA Indian Commissioner; Seneca and Associates; Washington, D.C.

Victoria Stevens; MD; San Carlos Hospital; San Carlos Apache Reservation

Patsy Tallman; MA; Preschool Principal; Yakima Indian Nation; Toppenish, Washington

Michael Trujillo; Doctor in Charge; Laguna-Acoma Indian Hospitals, Laguna, New Mexico

Louis Tyon; MEd; Athletic Director; Little Wound School; Kyle, South Dakota

Beverly Valley; MBA; Office Manager, Acoma Pueblo, New Mexico

Edwin Vedolla; MA; Teacher; Ukian Unified School District; California

Tennyson Welbourne; Director, Services Unit; Indian Health Services; Owyhee, Nevada

Henrietta Whiteman; Director of Native American Studies; University of Montana, Missoula, Montana

Gary Work; MD; Residency-Texas Tech Teaching Hospital, Texas; Received CIBA Award 1980

Mary Jean Yazzie; Mental Health Therapist; Four Corner's Mental Health; Farmington, New Mexico

Exhibit #4

AMERICAN INDIAN SCHOLARSHIPS, INC.

ACADEMIC YEAR 1983-84
DISCIPLINES

Accounting	1
Addiction Counselor	1
Administration	2
Administration/Accounting	1
Adult & Community Education	1
Adult & Higher Education	1
Admin. Development/Social Policy	1
Administration Management	1
Argicultural Ed./Natural Science	1
American Indian History	2
American Indian Policy	1
American Indian Studies	1
Anthropology	1
Architecture	2
Art Education	2
Bibical Studies	1
Budgeting & Pers. Admin	1
Business Administration	9
Childrens Drama	1
Civil Engineering	1
Clinical Psychology	3
Community Counseling	1
Community Education	1
Counseling	2
Counseling/Education	1
Counseling/Psychology	1
Criminal Justice	1
Cross-Cultural Communications	1
Dentistry	2
Education	11
Education Administration	3
Education Counselor	1
Education Foundations	8
Education Pathology	1
Education Psychology	1
Education Specialist	1
Elementary Education	2
English/Second Language	1
Enviromental Health	1
Family Counseling	1
Finance	1
Finance/Management	1
Fine Arts	1
Fine Arts/Painting	1
Gerontology	2
Geological Engineering	1
Guidance and Counseling	7
Divinity	2
Health Administration	3
Health Education	2
Health Policy & Admin	1
Higher Education	2
History	1
Historic Costume	1
Home Economics	2
Human Anatomy	1
Human Community Research	1
Human Development	1
Industrial Art Education	1
Inter-Cultural Communications	1
International Development	1
Judical Administration	1
Journalism	1
Library Science	3
Linguistics	2
Maternal Child Health	1
Medicine	9
Microbiology	1
Painting	1
Pediatrics	1
Political Science	1
Program & Clinical Admin	1
Psychology	4
Public Administration	6
Public Health	3
Public Policy & Administration	1
Public Policy & Management	1
Pupil Pers. Policy	1
Reading Education	1
Rural Development	1
Social Planning	1
Social Welfare	6
Social Work	15
Special Education	1
Speech Science	1
Speech Pathology	1
Teaching/Art Education	1
Teacher Certification	1
Tribal Administration	1
Tribal Management	2
Urban Planning	1
Veterinary	5

TOTAL DISCIPLINES: 93

TOTAL STUDENTS: 187

AMERICAN INDIAN SCHOLARSHIPS, INC.

ACADEMIC YEAR 1983-84
STATE REPRESENTATION

Alaska	3
Arizona	15
California	15
Colorado	3
Delaware	1
Georgia	1
Idaho	4
Illinois	1
Iowa	2
Indiana	1
Kansas	4
Massachusetts	2
Michigan	3
Minnesota	6
Montana	5
Nevada	1
Nebraska	3
New Mexico	26
New York	5
North Dakota	8
Ohio	1
Oklahoma	31
Oregon	2
Pennsylvania	1
South Dakota	22
Texas	1
Utah	5
Washington	8
Wisconsin	7

TOTAL STATES: 29

TOTAL FELLOWS: 187

AMERICAN INDIAN SCHOLARSHIPS, INC.

ACADEMIC YEAR 1983-84
TRIBAL REPRESENTATION

Acoma Pueblo	3
Acoma/Laguna/Zuni Pueblo	1
Alaska Eskimo	1
Arickana/Blackfoot	1
Blackfeet	2
Blackfoot	1
Brotherton	1
Cahuilla	1
Cherokee	10
Cheyenne/Arapaho	1
Cheyenne River Sioux	4
Chippewa	5
Chippewa/Cree	1
Chippewa/White Earth Resv	1
Choctaw	3
Coeur d' Alene	1
Colville Conf. Tribe	3
Colusa/Winton	1
Comanche	7
ComancheFt.Sill Apache	1
Comanche/Osage	1
Conf. Tribe Salish/Kooteni Tribe	1
Cree/Sioux	1
Creek	1
Crow	1
Devils Lake Sioux	1
Eskimo	1
Fort Peck Assiniboine	1
Fort Sill Apache/Shinnecock Mohawk	1
Grand River Ottawa	1
Grand River Ottawa/Yankton Sioux	1
Hopi/Navajo	1
Iowa	1
Iroquois	1
Isleta Pueblo	1
Jemez Pueblo	3
Jicarilla Apache	2
Kickapoo	2
Kiowa	3
Kiowa Caddo	1
Kiowa/Comanche	1
Laguna/Zuni Pueblo	4
Laguna/Hopi Pueblo	1
Mandan/Hidatsa	1
Makah	1
Manzanita Band of Mission Indians	1
Menominee/Potawatami	1
Minnesota Chippewa	5
Mississippi Choctaw	1
Mohawk/Iroquois	1
Navajo	19
Oglala Sioux	8
Oglala Sioux/Leech Lake Chip	1
Omaha	5
Oneida	5
Osage	2
Ottawa	2
Papago	1
Pawnee	2
Ponca	1
Prairie Band Potawatomi	1
Quinault	1
Rosebud Sioux	5
Santa Clara Pueblo	1
Santo Domingo Pueblo	2
Sault St. Marie	1
Seminole	2
Seminole/Creek	1
Seneca	2
Seneca/Cayuga	1
Shoshone/Bannock	1
Sioux	3
Sisseton Wahpeton Sioux	3
Standing Rock Sioux	2
Stockbridge/Munscee	1
Taos Pueblo	1
Te-Mok Band of WI	1
Tlingit	2
Tsimphsian	1
Turtle Mountain Chippewa	5
White Mountain Apache	1
Wichita	1
Winnebago	3
Yakima/Nez Perce/Umatilla	1
Yakima/Umatilla/Navajo	1
Yaqui	1
Yurok/Karok	1
Yurok/Tolowa	1
Zia Pueblo	1
Zia/Jemez Pueblo	1

TOTAL REPRESENTATIONS: 90

TOTAL FELLOWS: 107

AMERICAN INDIAN SCHOLARSHIPS, INC.

ACADEMIC YEAR 1983-84
UNIVERSITIES & COLLEGES

Arizona State University	4
Biola University	1
Boise State University	1
Brigham Young University	3
Calif. State U./Los Angeles	3
Calif. State U./San Bernadino	1
Calif. State U./Long Beach	2
Cambridge University	1
Central State U./Oklahoma	2
Chadron State University	1
Colgate Rochester Divinity	1
Colorado School of Mines	1
Colorado State University	1
Columbia University	1
Denver University/Medical Sch.	1
Eastern Michigan University	1
Evergreen State College	1
Georgia State U.	1
Harvard University	4
Heritage College/WA	2
Idaho State U.	1
Iowa State College	1
Loma Linda U./CA	1
Mary College/Bismark	1
Massachusetts Inst. Tech.	1
Marywood College	1
National University/San Diego	1
New Mexico State U.	1
Michigan State U.	2
Montana State U.	2
New Mexico Highlands U.	4
North Dakota State U.	2
Northeastern State U./OK	7
Northern State College/SD	1
Ohio State University	1
Oklahoma Health Science Center	2
Oklahoma City University	3
Oklahoma State U.	3
Oklahoma University	2
Pennsylvania State U.	5
Portland State U.	2
Purdue University	1
Rice University/Texas	1
San Diego State U.	1
Southern Illinois U.	1
Southwestern Oklahoma State U.	1
Syracuse University/NY	1
St. Bonaventure U./NY	1
SUNY/Buffalo	1
Tufts University/NY	1
Utah State University	1
Washington State U.	1
U. of Arizona	6
U. of California/Berkeley	10
U. of California/Los Angeles	3
U. of Colorado/Medical Sch.	2
U. of Denver Medical Sch.	1
U. of Dubuque Theo. Seminary	2
U. of Idaho	1
U. of Indiana	1
U. of Illinois	2
U. of Kansas	1
U. of Manitoba/Canada	1
U. of Minnesota	4
U. of Montana/Missoula	1
U. of Missouri	1
U. of Nebraska	2
U. of New Mexico	6
U. of Norte Dame/IN	1
U. of North Dakota	5
U. of North Carolina	1
U. of Oklahoma	17
U. of South Dakota	8
U. of Utah	6
U. of Wisconsin	5
U. of Washington	4
U. of Wyoming	1

TOTAL INSTITUTIONS: 77

TOTAL STUDENTS: 187

AMERICAN INDIAN SCHOLARSHIPS, INC.

1983-84

Statistics on Men Funded

Total Men Funded	86
Single With No Dependents	34
Single with Dependents	3
Married with No Dependents	5
Married with Dependents	36
Divorced with No Dependents	0
Divorced with Dependents	3
Widowed with No Dependents	0
Widowed with Dependents	1
Separated with Dependents	3
Separated with No Dependents	1

Total Men with No Dependents	40
Total Men with Dependents	46

AMERICAN INDIAN SCHOLARSHIPS, INC.

1983-84

Statistics on Women Funded

Total Women Funded	101
Single with No Dependents	31
Single with Dependents	17
Married with No Dependents	2
Married with Dependents	26
Divorced with No Dependents	4
Divorced with Dependents	17
Widowed with No Dependents	0
Widowed with Dependents	1
Separated with Dependents	3
Separated with No Dependents	0

Total Women with No Dependents	61
Total Women with Dependents	40

AMERICAN INDIAN SCHOLARSHIPS, INC.
FELLOWS - ACADEMIC YEAR 1983-84

This list shows the Indian graduate students working toward a Master's or Ph.D. Degree. Names and dollars amounts have been deleted in compliance with the Privacy Act of December 31, 1976 (Public Law 93-579)

EXPLANATION OF ABBREVIATIONS:

S-0 = Single, No Dependents
M-2 = Married, Two Dependents
SEP = Separated
D = Divorced
W = Widowed

The fraction following tribal affiliation indicates degree of Indian blood as established by certification.

AIS, INC. FELLOWS

Female: SO
California State University
Social Welfare/MSW
Conf. Salish & Kooteni Tribe 9/16

Male: D1
University of New Mexico
Education Foundation/MA
Isleta Pueblo 4/4

Male: SO
Colorado School of Mines
Geological Engineering/MA
Choctaw 1/2

Female: D3
University of South Dakota
Ed. Admin./Special Education/MA
Devils Lake Sioux 4/4

Female: SO
San Diego State University
Business Administration/MA
Eskimo 3/4

Male: SO
Michigan State University
Finance/MA
Ottawa 4/4

Male: SO
University of Nebraska
Civil Engineering/MS
Sioux 5/8

Male: SO
Harvard University
Admin. Development & Social Policy/MA
Comanche 1/4

Male: SO
University of Montana/Missoula
Guidance/Counseling/MA
Turtle Mountain Chippewa 1/2

Male: SO
Pennslyvania State University
Education Administration/MA
Rosebud/Oglala Sioux 3/4

Male: SO
Washington State University
Veterinary Medicine/MD
Navajo 4/4

Male: SO
Iowa State University
Agricultural Ed./Natural Science/MS
Rosebud Sioux 1/4

Male: M4
Pennslyvania State University
Human Development/PH.D.
Mandan/Hidatsa 3/4

Male: SO
California State University
Pupil Personnel Program/MA
Choctaw 4/4

Female: M1
North Dakota State University
Education Administration/MA
Tsimphsian 1/4

Female: DO
University of Wyoming
Guidance/Counseling/MA
Oglala Sioux/Leech Lake Chip. 21/32

Female: SO
Eastern Michigan University
Childern's Drama/MA
Grand River Ottawa 1/4

Male: SO
University of California/Berkeley
Family Counseling/Ma
Oglala Sioux 9/16

Male: M2
Northeastern State University
Administration/MA
Cherokee 1/2

Female: SO
Marywood College/PA
Social Planning/Administration/MA
Kiowa 1/2

Female: S1
University of Utah
Social Work/MA
Rosebud Sioux 1/2

Male: M6
Arizona State University
Education Administration/ED.D.
Navajo 4/4

Female: M4
University of Oklahoma
Reading Education/PH.D.
Mississippi Choctaw 4/4

Male: M1
University Of South Dakota
Education Administration/ED.D.
Oglala Sioux 3/8

Female: M1
Northeastern State University
Education Administration/MA
Creek 1/2

Male: M4
Brigham Young University
Budgeting & Pers. Administration/MA
Navajo 4/4

Female: M4
University of South Dakota
Adult & Higher Education/ED.D.
Turtle Mountain Chippewa 1/2

Female: S0
University of Oklahoma
Adult & Community Education/PH.D.
Kiowa/Caddo 5/16

Female: M3
Denver University
Judical Administration/MJA
Wisconsin/Winnebago 3/4

Male: M0
State University New York/Buffalo
History/PH.D.
Mohawk/Iroquois 1/4

Male: M2
U of Dubuque Theological Seminary
Master of Divinity
Sisseton/Wahpeton Sioux 7/8

Female: S0
University of Nebraska
Medicine/MD
Omaha 13/32

Male: M2
Arizona State University
Elementary Education/PH.D.
Laguna Pueblo 4/4

Female: S2
Oklahoma State University
Guidance/Counseling/MA
Navajo 4/4

Male: M2
University of South Dakota
Guidance/Counseling/MA
Rosebud Sioux 19/32

Male: M3
Harvard University
Journalism/PH.D.
Acoma Pueblo 4/4

Male: Sept. 3
University of Norte Dame
Business Administration/MBA
Colville 1/2

Female: S0
Oklahoma Health Science Center
Public Health/MPH
Omaha 15/32

Female: S0
University of California/Berkeley
Accounting/MBA
Acoma/Laguna/Zuni Pueblo 4/4

Male: S0
National University/San Diego
Business Administration/MBA
Navajo 4/4

Female: W1
North Dakota State University
Psychology/MA
Sisseton/Wahpeton Sioux 3/4

Male: M1
Loma Linda University/CA
Environmental Health/MA
Blackfeet 3/8

Male: M0
University of Washington
Dentistry/PH.D.
Blackfoot 7/8

Male: M0
University of North Dakota
Medicine/MD
Chippewa 1/2

Female: SO
Northeastern State University
Tribal Administration/MBA
Kickapoo of Oklahoma

Female: SO
Oklahoma City University
Criminal Justice/MA
Navajo 1/2

Male: SO
University of Oklahoma
Social work
Cherokee 9/32

Female: SO
University of Oklahoma
Public Administration/PH.D.
Yurok/Tolowa 1/4

Male: W1
Oklahoma University
Social Work/MA
Pawnee 4/4

Female: D1
San Diego State University
Social Welfare/MSW
Manzanita Band of Mission Indians 1/4

Male: SO
Biola University/CA
Clinical Psychology/PH.D.
Brotherton 11/32

Male: SO
Michigan State University
Medicine/MA
Sault ST. Marie 1/4

Female: S1
University of California/Berkeley
Public Health/MA
Yurok/Karok 9/16

Male: Sept. 0
University of Arizona
Linguistics/MA
Yaqui 4/4

Male: M3
University of North Carolina
Health Policy & Administration/PH.D.
Cherokee 13/32

Female: M2
Boise State University
Public Administration/MA
Navajo 4/4

Female: M5
Heritage College/MA
Education/MA
Colville Conf. Tribe 1/2

Female: D2
California State University/LA
Anthropology/MS
Wisconsin/Winnebago 4/4

Female: SO
University of Utah
Social Work/MA
Zia/Jemez Pueblo 4/4

Female: S1
University of California/Berkeley
Social Work/MSW
Papago 4/4

Female: Sept. 5
University of South Dakato
Public Administration/MA
Grand Traverse Band Ottawa/Yankton Sioux

Female: SO
Cambridge University
Administration/Management/MA
Oglala Sioux 23/32

Female: M4
Iowa State University
Historic Costume/MA
Navajo 4/4

Male: SO
University of Wisconsin
Special Education/MA
Oniedа 1/2

Female: SO
Purdue University
American Indian History/PH.D.
Cheyenne/Arapaho 1/2

Female: Sept. 1
Stanford University
English/Second Language
Navajo 4/4

Female: D1
Heritage College
Psycology/MA
Yakima/Umatila/Navajo 4/4

Female: S4
New Mexico Highlands U.
Social Work/MA
White Mountain Apache 4/4

Male: M1
University of Minnesota
Psychology/MA
Chippewa/White Earth Resv. 9/16

Female: M4
Southwestern Oklahoma State U.
Home Economics/MA
Comanche 4/4

Female: D1
Montana State University
?
Chippewa 4/4

Female: Sept. 1
University of Oklahoma
Library Science/MA
Cherokee 1/2

Male: S0
University of California/Berkeley
Architecture/MA
Navajo 4/4

Male: S0
University of Arizona
Medicine/MD
Navajo 1/2

Female: S0
University of Denver
Medicine/MD
Menominee/Potawatomi 1/4

Female: M3
St. Bonoventure University/NY
Community Counseling/MA
Seneca Nation 1/2

Male: D2
University of Minnesota
Social Work/MA
Chippewa 3/4

Female: D0
University of New Mexico
Education Specialist/PH.D.
Navajo 4/4

Female: M3
Harvard Unversity
Education/PH.D.
Tlingit 4/4

Female: S1
University of Arizona
Speech Science/PH.D.
Navajo 4/4

Female: S1
Portland State University
Education/MA
Turtle Mountain Chippewa 1/4

Female: S0
Columbia School
Financial Management/MBA
Omaha 15/32

Female: D3
Idaho State University
Counseling/PH.D.
Shoshone/Bannock 7/8

Male: M3
Montana State University
Education/MA
Sioux 41/64

Male: S0
University of California/Berkeley
Program & Clinic Admin./MA
Navajo 4/4

Male: M4
University of North Dakota
Guidance/Counseling/PH.D.
Minnesota Chippewa 27/64

Male: M4
Pennsylvania State University
Rural Development/MA
Kiowa Tribe 1/2

Male: M0
Colorado State University
Veterinary Medicine/MD
Minnesota Chippewa 1/4

Male: SO
California State U/San Bernadino
Education/Counselor/MA
Cahuilla 1/2

Female: SO
Colgate Rochester Divinity
Bibical Studies/Master of Divinity
Kiowa 4/4

Female: SO
University of Oklahoma
Health Administration/MA
Santa Clara Pueblo 5/8

Female: M1
Evergreen State College
Teacher Certification/Teaching Cert.
Quinault 1/4

Female: M4
University of South Dakota
Education/ED.D.
Sisseton/Wahpeton Sioux 31/32

Female: D6
Southern Illinois U./Carbondale
Administration/PH.D.
Cheyenne River Sioux 7/8

Female: S1
Massachusetts Inst. of Techology
Urban Planning/MA
Seneca

Female: M1
New Mexico Highlands University
Social Work/MA
Minnesota Chippewa 17/64

Female: SO
University of Idaho
Education Administration/PH.D.
Coeur d' Alene 3/8

Male: MO
Georgia State University
Clinical Psychology/PH.D.
Stockbridge Mohican 3/8

Female: SO
Arizona State University
Speech Pathology/MA
Oglala Sioux 17/64

Female: M1
Utah State University
Educational Pathology/MS
Navajo 4/4

Male: M2
University of Dubuque Theological
Master of Divinity
Ft. Peck Assiniboine 4/4

Male: SO
University of Manitoba/Canada
Social Welfare/MA
Turtle Mountain Chippewa 1/2

Female: M3
University of Minnesota
Social Welfare/Gerontology/MA
Chippewa 3/8

Female: M2
University of California/LA
Ed./Counseling Psychology/MA
Colusa-Winton 1/4

Male: SO
Portland State University
Political Science/MA
Yakima/Nez Perce/Umatilla 4/4

Male: SO
University of California/Berkeley
Social Welfare/MA
Navajo 4/4

Male: SO
University of Wisconsin/Milwaukee
Business Administration/MBA
Sioux (Lakato) 1/4

Female: MO
California State U./Long Beach
Human Community Research/MA
Prairie Band Potawatomi 5/16

Male: SO
University of California/Berkeley
Business Administration/MA
Seminole 11/32

Female: D3
Mary College/Bismark
Addiction Counselor/MA
Cheyenne River Sioux 1/4

Female: M2
University of California/LA
Library Science/MA
Laguna Pueblo 4/4

Female: M2
Northeastern State University
Education/MA
Cherokee 15/16

Female: S2
Northeastern State University
Counseling/Psychology/MA
Seneca/Cayuga 9/32

Male: S0
University of Arizona
American Indian Policy/MA
Acoma Pueblo 4/4

Female: M3
University of Minnesota
Inter'n Development/MA
Cree/Sioux 3/4

Male: S0
Tufts University/NY
Veterinary Medicine/MA
Makah 7/16

Male: M2
Oklahoma City University
Business Administration/MA
Comanche 4/4

Female: M1
Oklahoma State University
Home Economics/MA
Comanche/Fort Sill Apache 4/4

Male: S0
University of Illinois
Medicine/MD
Comanche 1/2

Male: M1
Oklahoma City University
Teaching/Art Education/MA
Kiowa/Comanche 4/4

Male: Sept. 1
University of New Mexico
Public Administration/MA
Oglala Sioux 21/64

Female: S0
Syracuse University/NY
Guidance/Counseling/MA
Oneida Nation 1/4

Male: M3
University of Oklahoma
Cross-Cultural Communications/PH.D.
Osage 1/2

Male: D1
University of Oklahoma
Intercultural Communications/PH.D.
Osage 1/2

Female: S1
University of California/Berkeley
Health Education/MA
Santo Domingo Pueblo 4/4

Male: M2
University of California/LA
American Indian Studies/MA
Pawnee 1/2

Male: Sept. 2
University of North Dakota
Natural Science/MA
Arickana/Blackfoot 13/16

Female: M1
University of Oklahoma
Education/MA
Comanche 4/4

Male: M1
Central State University/Edmond
Business Administration/MBA
Wichita 4/4

Female: S0
University of Utah
Medicine/MD
Iowa 1/4

Male: S0
University of Kansas
Human Anatomy/PH.D.
Blackfeet 4/4

Male: M1
University of Washington
Medicine/MD
Alaska Eskimo 5/8

Male: M1
University of Arizona
Fine Arts/Painting/MFA
Cherokee 5/16

Female: D2
University of New Mexico
Public Policy & Admin./PH.D
Navajo 4/4

Male: M2
University of Arizona
Linguistics/MA
Jicarilla Apache 4/4

Female: S1
University of Oklahoma
Social Work/MA
Comanche/Osage 4/4

Male: M5
New Mexico Highlands University
Industrial Arts Education/MA
Zia Pueblo 4/4

Male: M2
New Mexico State University
Elementary Education/MA
Laguna/Hopi Pueblo 4/4

Male: S0
Central State University/Oklahoma
Education/MA
Fort Sill Apache/Shinnecock Mohawk 1/4

Female: D1
University of Wisconsin/Milwaukee
Social Work/Administration/MA
Oneida 4/4

Female: M2
University of Wisconsin/Milwaukee
Educational Psychology/PH.D.
Oneida 1/4

Female: S0
Oklahoma Health Science Center
Dentistry/DDS
Navajo 4/4

Female: S1
University of Washington
American History/PH.D.
Ponca 1/2

Male: M3
University of South Dakota
Public Administration/MA
Cheyenne River Sioux 13/32

Female: D3
University of Oklahoma
Health Education/MPH
Seminole 4/4

Male: M3
Harvard University
Education/MA
Omaha 1/2

Male: M6
University of South Dakota
Guidance/Counseling/MA
Rosebud Sioux 7/8

Male: S1
Northeastern Oklahoma State U.
Tribal Management/MA
Te-Moak Bands of WI. Shoshone 7/8

Female: M0
University of Utah
Social Work/MA
Minnesota Chippewa 1/2

Female: S0
University of Indiana
Fine Arts (Sculpture) MA
Seminole/Creek 3/4

Male: M2
Northeastern State University
Tribal Management/MBA
Tlingit 3/4

Female: M2
Brigham Young University
Community Education/MA
Iroquois 1/2

Female: D3
University of Utah
Social Work/MA
Crow 7/8

Female: S1
University of Wisconsin/Milwaukee
Social Welfare/MA
Oneida 3/4

Female: S0
University of Minnesota
Maternal & Child Health Care/MSW
Cherokee 1/4

Female: S2
University of New Mexico
Counselor Education/PH.D.
Santo Domingo Pueblo 4/4

Female: S0
Oklahoma State University
Clinical Psychology/PH.D.
Cherokee 3/4

Male: M1
University of Utah
Social Work/MSW
Chippewa/Cree 4/4

Male: M4
University of Oklahoma
Health Administration/MA
Jemez Pueblo 4/4

Female: S1
New Mexico Highlands University
Counseling (Educational) MA
Taos Pueblo 4/4

Male: M2
California State U./Long Beach
Art Education/MA
Winnebago 1/2

Male: S0
Rice University/Texas
Administration/Accounting/MA
Kickapoo 1/2

Female: S1
University of Colorado/Med. Sch.
Pediatrics/MA
Jicarilla Tribe 4/4

Female: M0
University of Oklahoma
Higher Education/PH.D.
Comanche 4/4

Female: M2
University of Wisconsin/Milwaukee
Education/MA
Minnesota Chippewa 9/32

Male: S0
Pennslyvania State University
Education/PH.D.
Acoma Pueblo 4/4

Male: M0
Ohio State University
Veterinary Medicine/DVM
Oglala Sioux 3/8

Male: M1
Pennslyvania State University
Business Administration/MA
Standing Rock Sioux 1/4

Female: S0
University of Colorado/Med. Sch.
Medicine/ MD
Cherokee 1/4

Female: S0
University of Oklahoma
Gerontology/MA
Choctaw 4/4

Male: M4
Brigham Young University
Social Work/MSW
Navajo 4/4

Female: D0
University of Oklahoma
Social Work/MSW
Comanche 1/4

Female: D1
Chadron State College/Neb.
Public Policy & Mgnt./MS
Oglala Sioux 15/16

Male: S0
Syracuse University
Public Administration/MBA
Omaha Tribe 1/2

Male: S2
Arizona State University
Painting/MFA
Tewa/Hopi/Navajo 4/4

Female: S0
University of California/Berkeley
Social Welfare/MA
Jemez Pueblo 4/4

Male: M1
University of Washington
Architecture/MA
Colville 13/16

Male: M3
Universiity of Missouri
Business Administration/MA
Ottowa 1/4

Male: M1
Colorado State University
Veterinary Medicine/DVM
Jemez 4/4

Female: S0
University of OK/Health Science
Health Administration/MA
Cherokee 4/4

Female: D4
University of North Dakota
Microbiology/MA
Oglala Sioux 9/16

Female: S2
Oklahoma University
Public Health Admin./MA
Cheyenne River Sioux 9/16

Male: S2
Northern State College
Education Administration/MA
Standing Rock Sioux 4/4

Female: S2
University of South Dakota
Educational Administration/ED.D.
Turtle MT. Chippewa 1/2

Female: S0
University of Illinois
Library & Infro. Science/Ph.D.
Chippewa 25/64

Female: D4
University of New Mexico
Art Education/MA
Laguna/Zuni Pueblo 4/4

Female: D1
University of Oklahoma
Health Science Center/MA
Laguna/Zuni Pueblo 4/4

Mr. ALEXANDER. Thank you. We have your full statement for the record.

One of the questions that we are going to address to Assistant Secretary Smith in writing involves the proportion of the Indian college graduates that are reflected in the budget items. We notice that there has been a significant increase in the number of lawyers and in the number of medical personnel that have been developed over the last decade.

We do not see in the statistics the Bureau has provided that there has been any like increase in the professions that would go along with the President's Economic Development Program, be they engineers, scientific, business management, and so on.

I would like your views on how that could be achieved or if that is even appropriate to achieve.

Ms. LORRAINE EDMO. Well, I think it is important to try to achieve those goals because of all of the demands that are being placed on Indian natural resources, and I am sure you are aware of the Denver Post article that appeared a few months ago. In there, they outlined some figures on the need for engineers, for geologists, for people trained in all types of academic fields.

Our program is trying to assist. We are trying to search for people interested in those fields that will really be helpful for tribes. We have gotten private funding for at least four or five scholarships from Atlantic Richfield Corp., from Sandia Labs, from a couple of other sources, to help train those people.

Mr. ALEXANDER. We would be interested in any recommendations you want to make in that area as we move along in the legislative program and economic development.

Ms. LORRANE EDMO. OK.

Mr. ALEXANDER. Thank you.

Does your board member wish to make a statement?

STATEMENT OF ROSE ROBINSON, BOARD MEMBER, AMERICAN INDIAN SCHOLARSHIP, INC.

Ms. ROBINSON. Yes. I would like to just say that those of us who have consented to serve on the board—and there are five of us who represent a variety of American Indian interests—certainly have agreed to serve on the board because we believe very strongly in the mission and purpose of American Indian Scholarship.

As Lorraine has stated, it is the only organization of its kind addressing this particular need, and I do not think that we really have to defend its record, because those people who have gone through it are right here. I think there is just no argument about this program.

That is really all I wanted to say, except to express our thanks for the support.

Mr. ALEXANDER. Thank you for coming. We appreciate it.

Jack Norman of the Tonkawa Business Council.

Do we have anyone from the Oglala Sioux Tribe here today?

Is Wilfred Scott here?

Mr. SWIMMER. I am here on behalf of CERT as the vice chairman.

Mr. ALEXANDER. We will hear from the Council of Energy Resource Tribes.

Please identify yourself for the record.

STATEMENT OF ROSS SWIMMER, VICE CHAIRMAN, COUNCIL OF ENERGY RESOURCE TRIBES, DENVER, CO

Mr. SWIMMER. Yes, Mr. Chairman.

My name is Ross Swimmer. I serve as the principal chief of the Cherokee Nation in Oklahoma and also as vice chairman of the organization of Council of Energy Resource Tribes.

Mr. Lester, our executive director, will be here any minute, I believe, and will have copies of the written testimony. So if those could be accepted into the record, then I would like to talk briefly.

Mr. ALEXANDER. Absolutely.

I understand you are also a member of the President's Commission on Reservation Economies; is that correct?

Mr. SWIMMER. Yes, sir. I cochair that with Bob Robertson.

I might add that our work is progressing. We recently visited in New Mexico, where the wind blew and the dust blew, and I picked up a sinus cold. But it has been very enlightening. We visited the Laguna Pueblo, and we were very pleased with what we saw.

The CERT organization, I am sure you are familiar with it and its staff, is an organization made up now of 39 energy resource tribes. It originally started with a base of 22 tribes and has grown steadily over the years to where it now comprises 39 of these tribes.

That is not to say that all of the energy resource tribes are a part of CERT, which is part of the reason for my testimony today. We think it is important that the technical assistance that is being provided by CERT be continued, but we also think that it is important the Bureau of Indian Affairs have a budget that is sufficient to enable those tribes, even non-CERT tribes, to gain access to their minerals, to have the minerals evaluated and extracted from the ground in a productive and profitable way.

What we found is that there is a deficiency in the Bureau's trust responsibilities insofar as mineral development is concerned, in assisting tribes in developing their own technical capabilities, and particularly important in the area of resource assessment. The Bureau has an ongoing resource assessment program. Right now there is a substantial backlog of projects that are being done in Indian country, and it would be impossible under the budget that is being proposed to take on any more projects, to do any more assessments in Indian country.

If the tribes do not have a handle on what is available on the reservation in terms of oil, gas, coal, et cetera, they certainly cannot deal at arm's length with an energy company that might come into the reservation wanting to develop those minerals.

The technical assistance capability is equally important under the Royalty Management Act of 1982 and the Indian Mineral Development Act of 1982. Both of those acts put a certain increased burden on the tribes to manage their resource in a more prudent way. Of course, under the Indian Mineral Development Act, it allows us to enter into joint ventures, which opens up a whole new area of mineral management. We, as you know, have been restricted pretty much to the lease concept, and with the availability now under that act to deal with negotiated agreements with industry, we have to have the technical assistance to do that. That technical assistance should be provided by the Bureau of Indian Affairs and/or by organizations like CERT.

Specifically, what we are asking for is that an increase of $4.25 million be added to the budget in the line items dealing with the Bureau of Indian Affairs minerals management section. Tribal resource management capacity building would get $1.5 million. The technical assistance would be an increase of $750,000. CERT would receive $250,000 of that.

Presently, CERT is in the Bureau of Indian Affairs budget for $250,000, and this would be an increase of $250,000, bringing CERT's allocation to $500,000, but an overall increase of $750,000 in technical assistance.

In the resource assessment, the one that I am particularly concerned about, we had asked for $2 million to be added to the budget for resource assessment work, which is, as I said, simply going out into Indian country and finding out what is there, so the Indians can be apprised of it, and also work under the Minerals Act to help develop it.

I have attached, which you will have copies of, about 10 or 12 pages of technical assistance projects that the CERT organization has done for Indian tribes, to give you an idea of what kind of work does go on with the CERT organization.

Since I became vice chairman, not necessarily—coincidentally with that, but since I have been vice chairman—we have been able to, I think, have a very good working relationship with the Bureau of Indian Affairs and with their Denver office and the Minerals Management Section. I have appreciated the fact that the Bureau seems to be looking for resources like CERT to help in the analysis of the Indian mineral problem.

Ms. **Boylan**. Does CERT now participate in phase II and phase III of these resource evaluations?

Mr. **Swimmer**. You are getting into a technical area that I am not real sure about. Mr. Lester could answer those questions. I will be happy to check on it. I hesitate to say yes or no.

Ms. **Boylan**. According to the budget, the Geological Survey and the Bureau of Mines do phase II, and then phase III is done by the Bureau of Mines.

My real question is, how long, at the rate they are going, will it be before all the mineral resources on Indian reservations are completely evaluated?

Mr. **Swimmer**. At the rate we are going, that will never happen.

Ms. **Boylan**. That is what I thought. Thank you.

Mr. **Swimmer**. No, very definitely. In fact, the present budget is totally committed to projects that have already been identified, have been on the drawing board for some time. New projects would comprise well over half of CERT member tribes, plus a number of tribes that are not CERT members, and those cannot even be considered under the present budget constraints. So there is not even a program existing now where that could happen, where they could be evaluated, given the present budget considerations.

Ms. **Boylan**. The way I read it, they finished just a few phase III. They said eight have been completed. There are six in progress now, and next year they want to fund five more. That makes 19. That is 19 of over 200 reservations. At this rate, it seems to me it will be 2050 before we get these mineral resources evaluated.

Mr. **Swimmer**. It probably would be. Then as new technology comes in, you are going to have to go back and reevaluate some of what has already been done.

Ms. **Boylan**. Exactly.

Thank you very much.

Mr. **Alexander**. If you could switch hats for just a second and talk to us as cochairman of the Economic Development Commission, I understand there is going to be an interim report before the final report, is that correct?

Mr. **Swimmer**. There is.

Mr. **Alexander**. Approximately when would that be due?

Mr. **Swimmer**. It is our intention at this time to get an interim report out by May. We will complete our field hearings approximately the middle of May, and we are working on the draft as we go along for an interim report. I would say the end of May or the first of June is optimistic at this time, but it is our intent to do that.

Mr. **Alexander**. Would it be reasonable for the committee to expect to have any legislative proposals from your commission this year in that interim report?

Mr. **Swimmer**. Yes, it certainly is. I realize that it will probably be a short year, and we are rushing to try to get some initiatives brought forward, even before the report is done.

Two things have come up in the discussion of the commission's work. One, of course, is the Tax Act. We very definitely want a moratorium lifted on that. I used the wrong term, but we would like to have it continued. I understand that there is some discussion in Treasury about this. Fortunately, Dr. Johnson is on our commission also.

But we are very interested in having the same authority that the cities and States have as far as revenue bonds, industrial revenue bonds. In other words, if the Congress does away with it completely, then we, of course, would consent to that. On the other hand, if other agencies are going to have the ability to issue, then we feel like Indian tribes should, too.

We have found, in our hearings so far, that has been a real asset to some tribes. Mississippi Choctaw, in particular, was one that used county revenue bonds to build a plant that is now hiring about 100 people there in Philadelphia, MS.

The other initiative is likely to take the form of something on Davis-Bacon, where we are finding a lot of issues out there in Indian country about the high price of labor on HUD contractors and other Federal projects, and most of the building is done through federally funded projects on Indian reservations.

Of course, I could go into a long discussion, but basically it is hard to determine what those rates really should be. Often they are arbitrary and often they are higher than the other rates that are paid, and it causes a lot of disparity in Indian country.

Those two things will probably come to your attention because we are trying to develop some legislative issues around the hearing schedule.

Mr. ALEXANDER. We are quite interested in working with the Commission.

Mr. SWIMMER. Thank you.

Mr. ALEXANDER. Thank you for coming. We appreciate it.

[The prepared statement follows. Testimony resumes on p. 201.]

PREPARED STATEMENT OF THE COUNCIL OF ENERGY RESOURCE TRIBES

SUBMITTED BY ROSS SWIMMER, VICE CHAIRMAN

Mr. Chairman, I am Ross Swimmer Principal Chief of the Cherokee Nation of Oklahoma and Vice Chairman of the Council of Energy Resource Tribes (CERT) located in Denver, Colorado.

CERT is a coalition of Indian tribes that own substantial reserves of energy resources. Founded in 1975 by 22 Indian tribes, the CERT coalition has grown to 39 tribes today. These 39 tribes comprise approximately 40% of the on and near reservation Indian population of the United States. CERT is directed by the elected leadership of each member tribe to assist them in their efforts toward self-government and self-sufficiency by providing a wide range of technical services that help them develop stable economies, protect their natural and social environments and manage for themselves their energy resources.

Thank you for the opportunity to comment on the Department of Interior's FY '85 budget request for the Bureau of Indian Affairs' Energy and Minerals program within the Office of Trust Responsibility. The administration's request in our view falls below that which is needed to minimally carry out its responsibilities to Indian tribes. The responsibilities which will not be adequately met include fulfilling the trust obligation, assisting the tribes develop their own local capilities, providing technical services to tribes, and in continuing the phased process of resource assessment so vital to sustained prudent management of Indian mineral resources. I would like to briefly highlight each of these four points.

First the Trust Obligations; The Indian Mineral Development Act of 1982 has expanded the range of agreements which Indian Tribes may negotiate for the development of their mineral resources. To implement this Act the Interior must correspondingly increase its technical capability to review and approve these agreements in a forthright manner. We believe that it is timely for this committee to review with the Secretary and the Tribes the implementation of this very important piece of legislation.

Second, this budget does not provide for the local capability building necessary for sound management at the local tribal level. The Royalty Management Act of 1982 provides for expanded roles for Indian tribes. The Interior, neither in the BIA request or in the MMS or BLM requests provides for the necessary building of tribal capability inspite of numerous requests by Indian tribes.

Third, the 1985 request ignores the tremendous need tribes have for timely, professional technical assistance in a wide range of issues that a tribe must face in making informed decisions with respect to the prudent development of their mineral estate. The need for sound information, analysis and technical assistance goes far beyond the geology and economics of the mineral resource. Energy development often is so pervasive as to alter forever the natural, social and cultural environments. Such assistance is a necessary component of a balanced approach to the development of an exhaustable resource.

Fourth, the three phased resource assessment program under the 1985 request will lose its integrity because no new assessments can be initiated, existing projects are being cut dangerously thin and many needed studies are being deferred to future years. This program is the foundation for prudent management of Indian mineral resources because it provides the tribe and its trustee with the basic information needed for long term planning and management decisions.

Without this information we will quickly return to the time when the Tribe and the Interior, lacking adequate information, will make uninformed decisions which adversely impact on the tribes future.

Since 1974, BIA data shows Indian (Tribal and individual) royalty income increased from approximately $30 million to over $380 million in 1982. These increases cannot be sustained in the future without adequate Federal investments.

As a start we recommend a modest increase of $4.25 million for the following purposes:

Tribal Resource Management	
Capacity building	$1,500,000
Technical Assistance	750,000
Resource Assessment	2,000,000
Total Increase	$4,250,000

Indian tribes, it has been suggested should pay for these services themselves and have been falsely labeled Energy Rich Tribes. The truth is that the majority of Indian tribes with mineral and energy resources are not in production and are not realizing income from their resources. For those tribes that are, the reductions of Federal assistance in FY 1981 and 1982 more than off-set the 10 year gain in royalty income.

Finally, as you know BIA contributes funds each year to an inter-agency contract funded by the Department of the Interior, Energy and Health and Human Services. The BIA Is requesting $250,000 in FY 1985. We are seeking level funding of $500,000 from BIA In FY '85. I have attached a selected annotated list of technical projects undertaken by CERT at the request of member tribes. This list represents less than a third of the projects undertaken since 1981.

RESOURCE ASSESSMENT AND DEVELOPMENT PROJECTS

COUNCIL OF ENERGY RESOURCE TRIBES

1979-1983

Geohydrologic Investigation of Black Mesa, Arizona, for the Hopi Tribe

Financial Analysis of the Spokane Tribal Government

Southern Ute Coal Development Project

Oil and Gas Prospects for the Fort Belknap Reservation

Fort Belknap Domestic Coal Mine

Oil and Gas Development Impacts to the Fort Berthold Reservation

Feasibility Studies of Proposed Electric Power Generation Project on the Crow Reservation

National Uranium Market Analysis: A 10-Year Study

Prefeasibility Study of a Grain-Based Ethanol/Gasohol Plant for the Nez Perce Tribe

Financial Analysis of Western Nuclear Inc., for the Spokane Tribe

Oil and Gas Potential of the Zia Pueblo Indian Reservation

Identification of Lignite Coal Reserves on the Fort Berthold Reservation

Economic and Market Evaluation of the Protore Stockpiles on the Spokane Reservation

Interpretation of Geophysical Logs of Drill Holes from the Sanchez Ranch Property and Other Areas for the Pueblo of Laguna

Evaluation of Using Federal Loan Guarantees for Alternative Energy Projects on Indian Reservations

Development of a Procedure for Acquiring Private Land on the Blackfeet Indian Reservation

A Geologic Appraisal of the Oil and Gas Favorability on the Rocky Boy's Reservation

Cherokee Nation's Oil and Gas Potential: Arkansas Riverbed Property

Assessment of the Coal Reserves of the Cherokee Nation

Development of an Oil and Gas Code for the Fort Berthold Reservation

Feasibility Studies of Small Oil Refineries on Indian Reservations

Assessment of the Geology and the Mineral Resources on the Fort Hall Reservation

Evaluation of Shell Oil Company's Proposal to Explore for Carbon Dioxide on the Ute Mountain Ute Reservation

Development of an Oil and Gas Code for the Blackfeet Tribe

Prefeasibility Analysis of Coal Development Options for the Southern Ute Tribe

Reserve and Mining Feasibility Study on Sand and Gravel Property at the Santa Ana Pueblo

Geochemical Assessment for the Potential of Precious Metals on the Fort Belknap Reservation

Examination of Geothermal Potential on the Fort Belknap Reservation

Administrative History and Anaysis of Blackfeet Tribal Oil and Gas Lease Sale, May 1982

A Preliminary Mineral Inventory of the Kalispel Reservation and the Proposed Annexation Lands

A Geochemical Appraisal of Uranium and Rare Earth Elements at Bowery Peak and Vicinity on the Rocky Boy's Reservation

Feasibility Study of Mining and Economic Potential Study of Coal Properties Adjacent to the Northern Cheyenne Reservation

Design Changes in Natural Gas Liquids Plant for Interstate and Intrastate Sale of Natural Gas by the Jicarilla Apache Tribe

Appraisal of Impacts from Oil and Gas Drilling on the Acoma Pueblo

Economic Assessment of Protore Stockpiles on the Laguna Pueblo

An Analysis of Tract Valuation Techniques for Oil and Gas Sales: Currently Available to the Assiniboine and Sioux Tribes on the Fort Peck Reservation

Identification of Potentially Minable Uraniferous Phosphate on the Seminole Reservations

Economic Feasibility Study of a Geothermal-Heated Greenhouse on the Fort Belknap Reservation

Analysis of Mineral Resource Potential and Development Scenarios on and/or Adjacent to the Muckleshoot Reservation

Analysis of Uranium Marketing Prospects for the Laguna Pueblo

Oil and Gas Development Seminar for the Laguna Pueblo

Development of a Hypothetical Geologic and Economic Model of Uranium Deposits in Breccia Pipes on the Hualapai Reservation for Contractual Negotiations

Financial Analysis of Oil and Gas Leases Disputed by the Cheyenne-Arapaho Tribes

Analysis of the Oil and Gas Potential of the Rosebud Reservation

Development of an Optimal Oil and Gas Proposal for the Cherokee Nation

Assessment of Oil and Gas Resource Potential and Environmental Impacts on the Jemez Pueblo

RESOURCE ASSESSMENT AND DEVELOPMENT PROJECTS

TR-79-032
GEOHYDROLOGIC INVESTIGATION OF BLACK MESA, ARIZONA, FOR THE HOPI TRIBE

A geologic and groundwater hydrologic investigation was performed at the request of the Hopi Tribe to determine the effects of groundwater pumping by Peabody Coal Company on domestic wells and springs and to evaluate the hydrologic conditions of the aquifers which currently supply water to the Peabody wells and to the Hopi wells and springs. The study concluded that Peabody extracts 3,400 acre-feet of water per year (1.1 billion gallons per year) from the "N" aquifer. The effects of this pumping are the lowering of piezometric levels (artesian water level), the apparent development of a pumping cone, and the gradual expansion of the pumping cone. A decrease in the piezometric level (water level) has been recorded by the Peabody pumping records. The effects of this pumping within the "N" aquifer are being monitored by the U.S. Geological Survey. In addition, insufficient data are available to determine if there has been or will be an adverse effect on the upper aquifers, which supply domestic and livestock wells. Fracturing of the rock formations which is observable at the ground surface throughout the area may affect those rock formations which previously have been considered impermeable because of their fine-grained nature. If groundwater is leaking or can leak downward through these formations along the fractures, pumping of the Peabody wells may have an adverse effect on the upper aquifers.

RR-81-040
FINANCIAL ANALYSIS OF THE SPOKANE TRIBAL GOVERNMENT

CERT was requested by the Spokane Tribe to estimate and analyze the revenues and expenditures of the Spokane tribal government for fiscal year 1980 to determine the fiscal requirements of tribal operations at the Spokane Reservation. The aggregate estimates were combined into a Tribal Flow of Funds Statement that determined the Net Fiscal Balance of tribal operations for 1980.

TR-79-046
SOUTHERN UTE COAL DEVELOPMENT PROJECT

CERT was requested by the Southern Ute Tribe to determine viable options for coal development. There are approximately 288 million tons of surface minable coal on the Southern Ute Reservation plus additional surface coal deposits near the reservation and substantial underground reserves also present. Given these reserves, CERT determined that the tribe has a coal resource which can be developed, subject to a more intensive marketing effort. Discounted Cash Flow analyses for coal development revealed the potential for a significant return to the tribe.

TR-80-59-01

OIL AND GAS PROSPECTS FOR THE FORT BELKNAP RESERVATION

An analysis was conducted to assess regional gas production and identify prospect areas on the Fort Belknap reservation. Numerous areas within the reservation are considered favorable for low volume gas well development. However, demand for the associated leases is not likely to be strong.

TR-80-59-02

FORT BELKNAP DOMESTIC COAL MINE

With pricing increases for heating oil, gas, and electricity, a study was undertaken to assess the feasibility of developing coal deposits on the Fort Belknap reservation to reduce the cost of domestic heating. The study concluded it would be economical to augment existing home heating by installing coal furnaces and space heaters. The coal would be supplied by existing mines and trucked to the reservation.

TR-80-062

OIL AND GAS DEVELOPMENT IMPACTS TO THE FORT BERTHOLD RESERVATION

The Three Affiliated Tribes at the Fort Berthold Reservation requested CERT to investigate possible impacts that could be incurred from oil and gas development on the reservation. Specifically, CERT looked at the potential reserve areas on the reservation, manpower and equipment requirements, access to the reserve areas, and potential tribal income from the development. CERT concluded that development of three oil and gas reserve areas would require exploration drilling of approximately 30 wells. Specialized labor skills would be needed and untrained tribal members would have limited employment opportunities unless training programs are initiated. In addition, an experienced management team and a high investment (monetary) level would be needed for any associated tribal enterprise. Tribal and state roads on the reservation would need to be upgraded and maintained to handle heavy equipment, crude oil transporting, and commuting workers--possibly costing $20 million plus $150,000/yr for maintenance. However, the tribes can realize the benefits of new negotiated terms which would replace the standard lease terms and possibly double the income of what is available from standard lease agreements.

TR-81-104-00

FEASIBILITY STUDIES OF PROPOSED ELECTRIC POWER GENERATION PROJECT ON THE CROW RESERVATION

CERT prepared a detailed feasibility study for establishing a 1,000-MW power generation plant on the Crow Reservation on behalf of the Crow Tribe. The objectives of the study were to advance the Crow Electric Power Generation Project to the point where a decision could be made regarding continuing the development and construction. To address the environmental and socioeconomic areas, CERT negotiated contracts with several organizations to perform other portions of the study: Stearns-Roger Engineering Corporation—plant siting, resource requirements, plant layout and details, capital and operating costs, economic analysis, and schedules; Western Area Power Administration--analysis and recommendations for transmission facilities required to integrate the Crow plant into the regional transmission system (this work was performed by the Technical Studies Committee of the Rocky Mountain Transmission Planning group in conjunction with study cases already under way by this group); Lehman Brothers Kuhn Loeb--financial advisor to examine the financing options and perform an investment analysis; and Lynaugh, Fitzgerald and Skaggs--a legal firm in Billings, Montana, formerly Crow tribal attorneys.

TR-81-150
NATIONAL URANIUM MARKET ANALYSIS: A 10-YEAR STUDY

CERT analyzed the historically cyclical relationship between uranium supply and demand in the United States. Interpretation of recent domestic uranium supply-demand data indicated that unfilled uranium demand will cumulatively exceed unsold production by 1985. To meet the anticipated, future unfilled uranium demand, additional production capacity would have to be derived from: returning the mine and mill facilities that have been closed or cut back to their design operating capacity; placing new production facilities in operation; or increasing the amount of imported uranium. The study concluded that advantages available to an Indian tribe entering the uranium industry as a producer are potentially greater than those available to an outside entity. If uranium exploration and development are compatible with tribal goals and objectives, then it would be appropriate for an Indian tribe to consider those activities.

RR-80-171
PREFEASIBILITY STUDY OF A GRAIN-BASED ETHANOL/GASOHOL PLANT FOR THE NEZ PERCE TRIBE

The Nez Perce Tribe of Idaho requested CERT to perform a feasibility study for the development of a grain-based ethanol plant on the reservation (see Economic Development description, page 2). Two plants were examined: (1) a small plant to manufacture 225,000 gal/yr of ethanol from the barley or wheat grown on approximately 5,000 acres of land; and (2) a larger plant to manufacture 10,000,000 gal/yr of ethanol and require grain from approximately 200,000 acres corresponding to the region within about 40 miles of Lapwai. An economic simulation of the uncertainty in project economics indicated at the time that the selling price of ethanol from the small plant was $2.93/gal plus or minus $0.44/gal and from the large plant it was $1.69/gal plus or minus $0.30/gal. Government subsidies were assumed to be available at the time to allow the products to be sold at $3.00/gal and $1.80/gal, respectively. The range of rates of return based on subsidies and the current market outlook was 12.5% plus or minus 7% for the small plant and 13.3% plus or minus 5% for the large plant.

RR-80-174
FINANCIAL ANALYSES OF WESTERN NUCLEAR INC. FOR THE SPOKANE TRIBE

CERT performed a financial analysis of Western Nuclear Inc., a subsidiary of Phelps-Dodge Corp., for the Spokane Tribe. Western Nuclear has been mining uranium ore in three locations, one being the Sherwood mine on the Spokane Reservation. The Spokane Tribe has uranium ore stockpiles on its reservation from Dawn Mining Co.'s lease for uranium mining. Thus, the Spokane Tribe was investigating the possibilities of selling the stockpiles to Western Nuclear. CERT's investigations revealed that milling the ore stockpiled on the Spokane Reservation would be advantageous and economical to Western Nuclear.

RR-80-181
OIL AND GAS POTENTIAL OF THE ZIA PUEBLO INDIAN RESERVATION

An investigation was undertaken to assess the oil and gas potential on the Zia Pueblo Indian Reservation. The investigation was initiated after interest in the reservation was exhibited by the petroleum industry. An assessment of the regional geology was included to provide the basis of estimating the hydrocarbon potential.

TR-80-188-34
IDENTIFICATION OF LIGNITE COAL RESERVES ON THE FORT BERTHOLD RESERVATION

At the request of Fort Berthold's Business Council, CERT performed a lignite coal reserve study on the reservation lands known as the "Homestead Area" to identify lignite reserves. The study resulted in several findings that indicate "inferred" reserves on the reservation. Lignite coal thickness and occurrence data for the "Homestead Area" were quite sparse, making it difficult to estimate reserves with much certainty. Ninety-five percent of the estimated reserves were in the "inferred" reliability category (lowest level of confidence). The remaining 5% of the reserves were classified as "indicated" (moderate level of confidence), with none of the reserves "proven" or "measured" (high level of confidence).

RR-82-196
ECONOMIC AND MARKET EVALUATION OF THE PROTORE STOCKPILES ON THE SPOKANE RESERVATION

The Spokane Tribe experienced numerous difficulties with Dawn Mining Company following the royalty agreement dated 1 March 1976. This project was initiated by the tribe to assist in resolving the disposition of low-grade uranium ore (protore) previously stockpiled by Dawn Mining Company. As the protore stockpile evaluation progressed, other problem areas developed between the tribe and Dawn. Thus, other recent issues also were addressed by CERT in conjunction with the protore evaluation.

RR-80-201-01

INTERPRETATION OF GEOPHYSICAL LOGS OF DRILL HOLES FROM THE SANCHEZ RANCH PROPERTY AND OTHER AREAS FOR THE PUEBLO OF LAGUNA

The Pueblo of Laguna requested CERT to interpret geophysical logs of uranium drill holes on the Sanchez Ranch property. Logs from nearby areas outside the Sanchez property were also submitted for interpretation.

A group of 233 geophysical logs and 79 lithological logs were examined for indications of uranium potential. Of these, 109 geophysical logs and all of the 79 lithological logs were from drill holes located on the Sanchez Ranch property in T. 14N., R. 3W.; T. 14N., R. 4W., and T. 15N., R. 3W. Because of the lack of significant gamma radiation anomalies and the absence of organic matter in the Jackpile and Westwater Canyon sandstones on the Sanchez Ranch, the uranium potential of the Sanchez property is considered to be very low.

Other logs from drill holes outside the Sanchez property boundaries were also evaluated. Further investigations would be justified in section 32, T. 10N., R. 2W., based on strong gamma radiation peaks in holes 5 and 8. The gamma interpretations of sections 20, 28, and 32, T. 13N., R. 2W., indicated that uranium potential is considered very good.

RR-81-218

EVALUATION OF USING FEDERAL LOAN GUARANTEES FOR ALTERNATIVE ENERGY PROJECTS ON INDIAN RESERVATIONS

The purpose of this study was to evaluate the applicability of new federal incentives for the development of alternative energy projects to those CERT tribes interested in owning or participating in reservation-based development projects. The unique position of Indian tribes as resource-rich and yet cash-poor participants in any such development was the focus of the evaluation. This study considered the: financial incentives offered through the Energy Security Act of 1980 and the administrative requirements; impact on the financial strength of any project; and applicability to tribal involvement. The major conclusion of the study was that direct loans by the federal government represent the most viable form of assistance for tribes interested in participating in reservation-based development, given the tribes' meager financial resources and limited credit worthiness. In the event that such loans are not available (as in the case of large-scale biomass energy projects), loan guarantees represent the most favorable form of assistance.

RR-81-224
DEVELOPMENT OF A PROCEDURE FOR ACQUIRING PRIVATE LAND ON THE BLACKFEET INDIAN RESERVATION

The Blackfeet Tribe requested that CERT provide assistance to acquire all of the privately held surface acres within the reservation boundaries. By acquiring these acres, the tribe would be in a much better position to control energy resource development on the reservation. This report provided the tribe with a procedure to follow to complete the tribal land base. To implement the acquisition, an approach was recommended.

TR-82-268-02
A GEOLOGIC APPRAISAL OF THE OIL AND GAS FAVORABILITY ON THE ROCKY BOY'S RESERVATION

CERT was requested to determine the oil and gas potential on the Rocky Boy's Reservation. The study concluded that the Rocky Boy's Reservation has a high potential for shallow gas reserves on several nonleased land parcels. The prospective host rock horizons are sands within the Judith River Formation and the Eagle Sandstone. The gas is genetically immature and is not associated with oil or deep-seated gas seeps. Most of these untrapped reservoirs are considered small; probably covering a couple of square miles and potentially yielding an average of 500 Mcfd per well over a 10-15-yr period. Each small reservoir might support 3-6 wells. In addition, it was determined that the prospective gas tracts would draw good industry interest in lease sale bidding since pipeline facilities and markets are nearby. However, the bidding is likely to be lower than bidding for resources in Williston Basin and Cutbank Plays because of the low prospects for oil and deep gas.

TR-81-239
CHEROKEE NATION'S OIL AND GAS POTENTIAL: ARKANSAS RIVERBED PROPERTY

CERT was requested by the Cherokee Nation to assess the hydrocarbon potential associated with its Arkansas riverbed property. The riverbed involved in the study extends from the confluence of the Neosha River near Muskogee, Oklahoma, to the Arkansas border. The eastern one-third of the riverbed, from the state line to the Robert S. Kerr Lock and Dam, lies along the north edge of the Arkoma Basin. This is an area of significant gas production that currently is almost entirely leased to oil companies. Production is resulting in royalty payments to the Cherokee Nation. The middle one-third of the riverbed property, extending from the Robert S. Kerr Lock and Dam upstream to the Webbers Falls Lock and Dam, is an area where the oil and gas has been relatively slow. This area is not currently under oil and gas lease from the Cherokee Nation. Future interest in this area may be related to deeper drilling targets of Mississippian, Devonian, Silurian, and Ordovician ages. The potential for these zones is strictly in the "wildcat" category. The northeastern-most one-third of the riverbed shows potential for both oil and gas. However, most wells have been drilled on the west side of the river and coincide with the higher rate of success. There are fewer wells on the east side due to a combination of erosion of Pennsylvanian zones, proximity to the surface of potentially producing zones, and lack of structural or permeability traps in the subsurface.

TR-82-290
ASSESSMENT OF THE COAL RESERVES OF THE CHEROKEE NATION

An assessment of the coal reserves of the Cherokee Nation was undertaken by CERT. Of the four regions that are owned by the Cherokee, the Arkansas riverbed property is the only one that contains coal. Except for a moderately high sulfur content, the chemical quality of the coal is excellent. Underground mining of these seams would be technically feasible if and only if the riverbed property is developed in conjunction with adjacent tracts, none of which are presently being pursued. Therefore, consideration of mining activities on the riverbed property is inappropriate at this time. In the future, advanced technologies such as in-situ gasification or coal bed methane drainage may be applicable to these deposits, providing the Cherokee Nation with a commercially viable development option.

TR-81-295-02
DEVELOPMENT OF AN OIL AND GAS CODE FOR THE FORT BERTHOLD RESERVATION

The Three Affiliated Tribes of the Fort Berthold Reservation began to formulate a code to regulate oil and gas activities within the boundaries of the reservation. CERT prepared a report to assist the tribes in formulating an oil and gas conservation code. Issues were identified that should be addressed by the code and possible approaches to deal with these issues were presented. The report was intended to complement previous tribal efforts in regulatory development and to provide a more detailed technical analysis of existing state and federal laws concerning well spacing, the pooling of interests, and exploration and production units.

TR-81-317, TR-81-325-01, RR-81-348
FEASIBILITY STUDIES OF SMALL OIL REFINERIES ON INDIAN RESERVATIONS

Several CERT-member tribes expressed an interest in building small petroleum refineries on their reservations. CERT prepared a study in response to requests for technical assistance from three tribes. Information on CERT tribes' oil production indicated that no reservation will produce as much as 10,000 bbl/d of royalty oil. The corresponding refinery size would be limited to less than 10,000 bbl/d—a small size for a refinery. The major conclusion of this study was that establishment of a small refinery was not a good business venture. The average margin between crude oil prices and product prices was about $3.12/bbl and had been dropping for many months. The minimum margin needed for a 10,000-bbl/d refinery to return a profit was at least $5.45/bbl.

RR-81-322

ASSESSMENT OF THE GEOLOGY AND THE MINERAL RESOURCES ON THE FORT HALL RESERVATION

CERT was requested to assess the mineral resources and the geology on the Fort Hall Reservation. Uranium, silver, and selenium were found to be present in the Phosphoria Formation at anomalous levels. In addition, friable volcanic tuff deposits exist in accessible locations on the reservation. The eastern margin of the reservation captures a portion of the Overthrust Belt geology. Nearby exploration by industry has proven the rocks of the Overthrust Belt to be petroliferous. It was believed that sediments of gas field discoveries in Utah and Wyoming are analogous to the eastern Fort Hall Reservation's thrusted sediments and that a potential exists for deeply buried natural gas and natural gas liquid reservoirs in this area. Other minor resource commodities were recognized. The minor resource potentials included sand, gravel, pumice, diatomaceous earth, traces of placer gold, and exotic and rare-earth elements at elevated levels in the Phosphoria Formation. Recovery of commercial values of each of these minor resource commodities was considered unlikely.

RR-81-331

EVALUATION OF SHELL OIL COMPANY'S PROPOSAL TO EXPLORE FOR CARBON DIOXIDE ON THE UTE MOUNTAIN UTE RESERVATION

Experimentation by oil companies with tertiary injection methods to enhance oil recovery placed a new emphasis on locating natural sources of carbon dioxide (CO_2). The Ute Mountain Ute Tribe requested assistance from CERT in negotiations with Shell Oil Company for the rights to potential CO_2 deposits. Shell committed itself to a full-scale tertiary injection program for the Denver Unit of west Texas: utilizing carbon dioxide (CO_2) gas from CO_2 deposits located in Dolores and Montezuma Counties, Colorado; transporting the CO_2 via a 480-mile pipeline to the Denver Unit; and injecting the CO_2 gas. CO_2 deposits on the Ute Mountain Ute Reservation were considered speculative due to few gologic data that confirm the presence of CO_2 or that determine if CO_2 could be extracted in commercial quantities.

RR-81-337

DEVELOPMENT OF AN OIL AND GAS CODE FOR THE BLACKFEET TRIBE

CERT was requested to prepare a report containing an analysis and explanation of well spacing, communitization, and unitization practices governing the production of oil and gas on the Blackfeet Reservation. Both the state of Montana and the federal government have regulations that influence tribal and allottee lands surrounded by patented-in-fee and state lands. We urged the tribe to adopt an organized and regulated approach to oil and gas development to protect nondeveloped resources and maximize production from a reservoir. A predetermined well spacing regulation has rarely been the most-efficient means of field development but is often the only means of conservation used for fields with divided ownership interests. Unitization was offered as a superior approach to field development because wells are drilled by a designated operator based on the specific nature of the reservoir.

RR-81-347

PREFEASIBILITY ANALYSIS OF COAL DEVELOPMENT OPTIONS FOR THE SOUTHERN UTE TRIBE

At the request of the Southern Ute Tribal Council, CERT prepared a prefeasibility report for alternative modes of coal development on the Southern Ute Reservation. The prefeasibility report sets forth five possible development scenarios as well as a "no development" scenario and depicts each option's respective costs and benefits from technical, socioeconomic, and environmental perspectives. The information contained within the report provides the tribe with the preliminary information necessary to make pertinent decisions about the future development of its coal resources. If one or several of the preliminary options are viewed as viable by the Tribal Council, a full feasibility study would need to be conducted. The development options for which the basic prefeasibility work was conducted include:

Option 1: 4 million ton/yr coal mine
Option 2: Development of a 30-MW coal-fired power plant
Option 3: Development of a 250-MW coal-fired power plant
Option 4: Development of a 500-MW coal-fired power plant
Option 5: Development of a 125-MMscfd coal gasification plant
Option 6: No development

A matrix at the end of the report shows comparative information for each of the six options. It was intended as a handy tool to assist the Southern Ute Tribe in deciding which option(s) to investigate further.

TR-81-397

RESERVE AND MINING FEASIBILITY STUDY ON SAND AND GRAVEL PROPERTY AT THE SANTA ANA PUEBLO

At the request of the Santa Ana Pueblo, CERT performed an assessment of the feasibility of developing a sand and gravel mine on a land tract adjacent to the Santa Ana Reservation. CERT evaluated the geology of the area and the gravel bed reserves, looked at the engineering feasibility for two potential plants, and performed a discounted cash flow rate of return analysis for these possible operations. The results of CERT's study suggested that the reserves in the main gravel bed are nearly 11.6 million tons and that the quality of the gravel suitable for use in concrete and asphalt is considered good.

TR-82-403

GEOCHEMICAL ASSESSMENT FOR THE POTENTIAL OF PRECIOUS METALS ON THE FORT BELKNAP RESERVATION

The study focused on a collected sample suite in the Little Rocky Mountains' igneous system and associated ore-bearing districts. The sample suite included representative samples from neighboring alkalic igneous complexes with precious metal occurrences, thereby establishing the necessary baseline data for effective geochemical prospecting techniques applicable to the Zortman-Landusky mineralization and extensions onto the existing Fort Belknap Reservation. Trace elements normally associated with precious metals in a similar geologic environment were used as a guide. The gold telluride system of Cripple Creek, Colorado, was chosen as the closest analogy to the Montana alkalic province. Although the two environments display a number of similarities, significant differences were recognized between the two precious metal systems. The sample data set established reasonable parameters to begin a cost-effective geochemical signature search for gold/silver mineralization on the reservation.

TR-82-405

EXAMINATION OF GEOTHERMAL POTENTIAL ON THE FORT BELKNAP RESERVATION

Concern about acquiring a full understanding of the Fort Belknap Reservation's resource base led the tribes to initiate an inquiry to CERT for a cursory inspection and assessment of its geothermal resource potential. The results of this study indicate that the Fort Belknap Reservation is not an area of great potential for a commercial-grade geothermal resource; however, a moderate high heat flow anomaly was identified in the northwestern corner of the reservation. Possible development and usage of the identified low-grade geothermal resource may be envisioned. The indicated temperature, potential volume, and location of the resource makes it possibly suited to agricultural development in a greenhouse capacity.

TR-82-409

ADMINISTRATIVE HISTORY AND ANALYSIS OF BLACKFEET TRIBAL OIL AND GAS LEASE SALE, MAY 1982

In 1980, a newly elected tribal council began to investigate the possibilities of privately negotiating an agreement for exploration of tribal lands and for holding a public auction of oil and gas leases through the Bureau of Indian Affairs. CERT provided assistance to the tribal council in the evaluation of petroleum development proposals submitted to the tribe by individual companies and in the development of lease terms for use in a public auction of tribal lands. The tribal lease sale, held in May 1982, involved the preparation of a custom tribal lease form, identification of lease tracts from seismic data, and a presale analysis of lease tracts. Also, to improve upon the results of previous oral auctions of allotted lands within the area, the tribal council required that the sale be a sealed bid auction of tribal leases. CERT assisted the tribal council in all areas of the sale preparation. The sale resulted in higher average bids per acre for tribal lands than those received in previous sales of Blackfeet Indian lands despite an economic recession, lower oil and gas prices, and interference in the auction by individuals representing private companies. In addition, the sale removed the legal impediments to future tribal negotiations for development of that acreage advertised, but not sold, in the auction.

TR-82-424-02

A PRELIMINARY MINERAL INVENTORY OF THE KALISPEL RESERVATION AND THE PROPOSED ANNEXATION LANDS

A preliminary analysis of the mineral resource potential on the Kalispel Reservation and proposed annexation lands was undertaken by CERT. The Kalispel Reservation was found to contain resource potential for crushed rock, sand, gravel, and uranium. The potential for oil accumulations and gas reserves, although possible, is very remote. Coal probably occurs locally under the existing reservation, but deposits were believed to be very local and uneconomic. The study concluded that the addition of the proposed annexation lands east and north of the reservation would not increase the reservation's resource potential for coal, oil, or gas but would enhance the potential for economic uranium deposits. This proposed annexation would also add other potential resources to the reservation, including base and precious metals, barite, silica, flagstone, riprap, and possible dimension stone.

TR-82-448

A GEOCHEMICAL APPRAISAL OF URANIUM AND RARE EARTH ELEMENTS AT BOWERY PEAK AND VICINITY ON THE ROCKY BOY'S RESERVATION

A geochemical sampling program (whole rock samples) and radiometric survey at Bowery Peak on the Rocky Boy's Reservation has identified uranium, precious and base metals, and rare earth element potential in select rock types that are more extensive regionally on the reservation. Detailed studies at Bowery Peak have shown that carbonatite dikes and veinlets can be subdivided into two chemical classes: calcitic-carbonatites and silico-carbonatites that have uniquely anomalous elemental suites. The calcitic-carbonatites appear to be the later stage differentiate and contain the higher values of uranium and niobium. The silico-carbonatites which appear genetically related to fenitized potassic syenite host anomalous amounts of gold, silver, and base metals (e.g., copper, lead, and zinc). Previous regional studies by Pecora and others failed to differentiate between carbonatite classes; therefore, the potential exists outside Bowery Peak and the Vermiculite Mine area for further uranium, precious and base metal, and rare earth targets.

RR-82-458

FEASIBILITY STUDY OF MINING AND ECONOMIC POTENTIAL STUDY OF COAL PROPERTIES ADJACENT TO THE NORTHERN CHEYENNE RESERVATION

The Northern Cheyenne Tribe requested that CERT provide geologic and economic technical assistance in evaluating the feasibility of purchasing and developing six coal-bearing land tracts adjacent to its reservation. Based on existing sparse drilling data, the properties' coal reserves were estimated to exceed 400 million tons. However, substantial exploratory drilling would be necessary to ascertain coal thickness, depth, and quality. Four economic cases were analyzed to identify the feasible alternatives for tribal coal mine development. Within the various frameworks of these cases, several scenarios involving changes in tax liabilities and production levels were investigated. Three of the scenarios were found to represent viable economic alternatives for the tribe.

TR-81-460
DESIGN CHANGES IN NATURAL GAS LIQUIDS PLANT FOR INTERSTATE AND INTRASTATE SALE OF NATURAL GAS BY THE JICARILLA APACHE TRIBE

CERT was requested to estimate the effect of including both interstate and intrastate royalty gas volumes in the proposed natural gas liquids (NGL) extraction plant on the Jicarilla Apache Reservation. The increased volume of gas processed was quantified for the project. Changes in plant capacity, total investment, working capital, employees, and rate return were calculated based on previous analyses prepared in late 1980 by CERT, the Pace Company, Lawson Engineering, Inc., and Nordhaus, Haltom and Taylor.

TR-82-484
APPRAISAL OF IMPACTS FROM OIL AND GAS DRILLING ON THE ACOMA PUEBLO

CERT was requested by the Acoma Pueblo to assess the likelihood of discovering oil and gas within the reservation; the extent to which the tribe can control access to and activities upon reservation minerals owned by non-Indians; the possible social, economic, and environmental impacts from reservation oil and gas development; and the degree of such impacts from the proposed exploration and development of reservation lands by the Cities Service Company (CITCO). The study identified the primary target for oil and gas exploration on the reservation to be the Permo-Pennsylvanian age rock. Drilling targets within this rock section are difficult to locate even with modern techniques and, in general, the hydrocarbon potential is low. Of possibly greater importance was the existence of carbon dioxide deposits in the Permian-age rocks. In addition, the study concluded that the adverse socioeconomic impacts associated with oil and gas development on the reservation may outweigh the economic benefits from exploration and production unless the tribal council secures compensation, in addition to leasing, employment, and subcontracting income, sufficient to affect the public costs not automatically paid for by the developer.

TR-82-501
ECONOMIC ASSESSMENT OF PROTORE STOCKPILES ON THE LAGUNA PUEBLO

During Anaconda Copper Company's mining operation of the Jackpile-Paguate deposits, low-grade uranium ore was intentionally mined and stockpiled on the lease area. CERT surveyed, drilled, and conducted chemical assays on drill hole samples for certain pre-selected stockpiles. Four scenarios were selected to project the economics of continued U_3O_8 extraction through a tribal mining operation. The results of each scenario were encouraging with significant cash flow projections to the tribe. Also, implementation of the project could provide about 175 jobs.

TR-82-506-01

AN ANALYSIS OF TRACT VALUATION TECHNIQUES FOR OIL AND GAS SALES CURRENTLY AVAILABLE TO THE ASSINIBOINE AND SIOUX TRIBES ON THE FORT PECK RESERVATION

The methodologies employed by the Minerals Management Service (MMS) for oil and gas tract valuation were examined in detail and recommendations to streamline the process were developed. The study revealed that the valuation methods employed by the Albuquerque Regional Office of the Economic Evaluation Section of MMS were vastly superior to those employed by the Casper and Denver Regional Offices. Other factors critical to a successful lease sale such as adequate announcement notice, quantification of resource data, type of sale, and recommended responsibilities were identified. Additionally, a comparative analysis of two lease sales on the reservation was conducted and several supportive maps were prepared to aid in tract valuation. The study clearly identified a need to have more technical justification for approving a high bid in a lease sale. The Fort Peck Tribal Mineral Resource Office has assumed responsibilities for several aspects of data acquisition and interpretation as identified by the study.

RR-82-516

IDENTIFICATION OF POTENTIALLY MINABLE URANIFEROUS PHOSPHATE ON THE SEMINOLE RESERVATIONS

CERT conducted a geological reconnaissance program to discover locations of potentially minable uraniferous phosphate on the Brighton Seminole Reservation and the Big Cypress Seminole Reservation. By using surface radiometric geophysics and statistical analysis, CERT geologists evaluated the two reservations. A heretofore undiscovered anomaly was located in the western end of the Big Cypress Reservation.

RR-83-530

ECONOMIC FEASIBILITY STUDY OF A GEOTHERMAL-HEATED GREENHOUSE ON THE FORT BELKNAP RESERVATION

CERT evaluated the economic feasibility of establishing a commercial greenhouse, utilizing the tribe's geothermal resources. A greenhouse was designed according to the prevailing weather conditions and the heat available from the geothermal source. An analysis of the technical feasibility of producing common vegetable crops was performed, and a discounted-cash-flow analysis was used to assess the economic feasibility of the project. The economic analysis showed that the project would be a very poor investment due to the high capital costs associated with building a greenhouse that is sturdy enough to withstand Montana weather.

TR-82-566

ANALYSIS OF MINERAL RESOURCE POTENTIAL AND DEVELOPMENT SCENARIOS ON AND/OR ADJACENT TO THE MUCKLESHOOT RESERVATION

A comprehensive analysis of the mineral resource potential (emphasis on energy resources) surrounding the Muckleshoot Reservation was conducted using available literature data files and preliminary field examination. The potential for methane-rich coal seams underlying the reservation was viewed as very good and the prospects for low-yield gas production were discussed. In contrast, the potential for low-head hydroelectric development on the White River which bisects the reservation looked unfavorable unless the minimum discharges upstream would be enhanced at a diversion flume. The potential for other energy resources looked poor with the possible exception of untested oil possibilities. The report also noted areal and reservation potential for sand and gravel as well as peat--areal peat deposits are not large enough for consideration as a fuel resource.

TR-82-572

ANALYSIS OF URANIUM MARKETING PROSPECTS FOR THE LAGUNA PUEBLO

This project was initiated by the tribe based upon the results of the inplace ore analysis completed by CERT during February 1982. Initially, the tribe had requested that CERT identify every nuclear utility in the Free World to determine net U_3O_8 requirements; i.e., U_3O_8 demand less contractual commitments. After this analysis was completed, the tribe requested that CERT place the project on hold until further notice. During February 1983 the tribe requested that CERT reactiviate the project and establish contacts with 10 domestic utilities having the best potential for future U_3O_8 marketing agreements.

SS-82-577

OIL AND GAS DEVELOPMENT SEMINAR FOR THE LAGUNA PUEBLO

The tribal council of the Pueblo of Laguna requested CERT to present a one-day seminar to council members and BIA officials. The seminar addressed the various phases of oil and gas development and opportunities for the pueblo.

TR-83-579-01

DEVELOPMENT OF A HYPOTHETICAL GEOLOGIC AND ECONOMIC MODEL OF URANIUM DEPOSITS IN BRECCIA PIPES ON THE HUALAPAI RESERVATION FOR CONTRACTUAL NEGOTIATIONS

Due to several proposals from companies to prospect for uranium deposits on the reservation, the Hualapai Tribe requested assistance in developing contractual guidelines for prospecting permits, leases, and other types of agreements. To develop a meaningful scenario for the economics of uranium mining and perhaps milling on the reservation, the characteristics of a typical uranium deposit were developed using analagous data on known deposits and mineral occurrences. The study indicated that four deposits of a breccia-type occurrence would need to be found and mined to warrant onsite mill construction costs. Tolling ore to a custom mill such as that in Blanding, Utah, would produce a favorable return on investment if the deposit characteristics and mining costs prove to be close to the scenario. Possible residual constituents of typical ore also were identified for environmental and process modeling. Recommendations for agreement terms and mining ordinance refinement were cited in the report.

RR-83-590

FINANCIAL ANALYSIS OF OIL AND GAS LEASES DISPUTED BY THE CHEYENNE-ARAPAHO TRIBES

The Cheyenne-Arapaho Tribes of Oklahoma requested assistance from CERT in assessing the current economic value of producing and nonproducing mineral formations as part of a legal controversy regarding six tribal oil and natural gas leases. CERT prepared estimates of the financial consequences for the tribes of several alternative strategies for settling the dispute through negotiation. The CERT report served as the basis for tribal resolutions establishing upper and lower bounds for settlement of the dispute and authorizing the Native American Rights Fund (NARF) to make the upper bound the offer of settlement. The effort by NARF to initiate negotiations was unsuccessful as were attempts by CERT. As a result, the dispute was submitted to the U.S. Department of the Interior's Board of Indian Appeals for litigation.

RR-83-617

ANALYSIS OF THE OIL AND GAS POTENTIAL OF THE ROSEBUD RESERVATION

A study of the oil and gas resource potential of the Rosebud Reservation identified five potential gas-bearing formations underlying the reservation but, based on the present data, no oil potential was indicated for the reservation. In addition, a previously unknown structural arch has been identified trending southwest-northeast across the reservation. Detailed subsurface geologic studies have indicated the possible occurrence of gas in two Paleozoic and three Mesozoic rock formations. These formations are: Pahasapa and Minnelusa (Paleozoic); Lakota, Newcastle, and Niobrara (Mesozoic). With the exception of the Pahasapa Formation, all of these formations have gas shows either on or near the reservation. The Pahasapa Formation has limited potential for locating gas resources, however, since the formation is projected to form an erosion pinchout under the northeast corner of the reservation.

RR-83-620

DEVELOPMENT OF AN OPTIMAL OIL AND GAS PROPOSAL FOR THE CHEROKEE NATION

To expedite development of the oil and gas potential and assure beneficial terms of development, the Cherokee Nation requested CERT to draft an oil and gas development agreement. The unique agreement took into account the specific physical parameters of designated tracts of land to derive the specific provisions of the agreement. Computer models were developed to compare various financial terms and identify the optimal alternative. The final agreement incorporates employment preferences, profit sharing, sliding-scale royalties, and control issues that will enhance tribal goals and objectives. CERT's effort provides the tribe with critical information necessary when preparing to negotiate an oil and gas agreement.

TR-83-626

ASSESSMENT OF OIL AND GAS RESOURCE POTENTIAL AND ENVIRONMENTAL IMPACTS ON THE JEMEZ PUEBLO

The Jemez Pueblo requested CERT to evaluate its oil and gas potential and the environmental impacts of developing the reserves. The more favorable areas for location of oil and gas were discovered in the northwest corner of the reservation (T. 18N., R. 1W.). Good favorability in this area is provided by two types of stratigraphic/structural hydrocarbon traps in two rock formations. The more favorable rock formation is the Entrada Sandstone, which displays similar geologic characteristics to an oil field northwest of the reservation. Good favorability is also provided by the Dakota Sandstone, where the sandstone pinches out into the encompassing shale. An assessment of the environmental consequences of potential oil and gas exploration and development included an analysis of existing environmental conditions on the Pueblo, a determination of the potential impact of the oil and gas activities to those conditions, and an outline of possible measures to mitigate or minimize any impact.

Mr. ALEXANDER. Larry Kinley and Fred Lane from the Lummi Tribe. Are they here?

Allen Pinkham from the Columbia River Inter-tribal Fisheries Commission, as well as the chairman of the Nez Perce Tribe.

Welcome, Sir.

STATEMENT OF ALLEN PINKHAM, CHAIRMAN, COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION AND CHAIRMAN OF THE NEZ PERCE TRIBE, LAPWAI, ID, ACCOMPANIED BY TIMOTHY WAPATO, EXECUTIVE DIRECTOR, COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

Mr. PINKHAM. Thank you for the opportunity to appear before the committee this afternoon.

I have with me here the executive director of the Columbia River Inter-tribal Fish Commission, Tim Wapato.

I am wearing two hats today. I am here on behalf of the Nez Perce Tribal Executive Committee to see if we can get funding for a fisheries program in our reservation area and also in our ceded area in Idaho, Oregon, and Washington.

It is a vital program. We are asking for $162,000 to get a fisheries program started.

BIA has not really maintained any fishery or wildlife program in behalf of the Nez Perce. We have a vast responsibility over a great deal of area, ceded area that covers about 14 million acres, and also tied to the lower Columbia River.

We need this funding to gain technical assistance and expertise in management to oversee our fisheries resources and also wildlife.

Another aspect here that I would like to bring out is that the Nez Perce Tribe has passed a law and order code, and we are looking for base funding of approximately $305,000. We recognize the responsibility of putting together a law and order code. It is a necessary step. There is a great deal of conflict in the past, and they feel that with a Nez Perce law and order code that we can exercise jurisidiction over our areas that need to be taken care of.

Also, our fishery management would be tied in with the code. Under the code, there would be the criminal and civil sections, with the Indian Child Welfare Act section, and a fish and wildlife section.

We are very intent on putting together this law and order code. We already have designated a chief judge and also an associate judge. We still are looking, though, for some base funding to put this program together.

One other aspect that we are concerned with is the Community Health Representative Program. We feel that this is a vital program that is needed on a reservation. We have understandings that this is trying to be closed down and zeroed out, but we have a director of our CHR Program, Connie Guillory, who is very instrumental in putting together a commission and chairing this commission for a needs assessment and implementation guidelines. It is a very critical program.

I think that one thing that is occurring here is that the potential ADP funds—I think we need to have access to these funds to carry out some of the programs in the reservation areas. We would hate to see these funds denied the tribes, because those funds are appropriated and I feel that they should be provided to the tribes in their various programs.

I am also the chairman of the Columbia River Inter-Tribal Fish Commission. These are the four Columbia River tribes: the Yakima, the Umatillas, the Nez Perce, and the Warm Springs Tribes of the Columbia River.

We exercise common interest on the lower Columbia between the Bonneville and McNary Dams. We fish principally for the anadromous fish, chinook, coho, and steelhead.

We are into a program, a law enforcement program, on the Columbia River. We just started this last year. We purchased some equipment. We have some officers on the river patrolling. We have set up a public relations avenue to interact with the various agencies and entities on the river concerned with fisheries.

I think I will turn it over to Mr. Wapato to give you a more detailed explanation of what is occurring.

STATEMENT OF S. TIMOTHY WAPATO, EXECUTIVE DIRECTOR, COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION, PORTLAND, OR

Mr. WAPATO. Thank you, Allen.

Thank you for the opportunity to appear before this committee.

We have supplied some materials, both for an appropriations request for fiscal year 1985—but, first, we would like to explain a little bit about where the program is and the specific need for that program.

The four tribes that Allen mentioned have been engaged in that fishing resource and fishing right since time immemorial and have always had the right to manage their resource. That right to management or comanagement of their resource has been affirmed in Federal court decisions, most notably the so-called "boat decision," or *United States* v. *Washington,* and the "baloney decision," or *United States* v. *Oregon.*

Through the last 7 years, when Congress first funded the commission to give those tribes the capability of participating on comanagement, through the technical capabilities—biologists, policy analysis, administrative analysis, those types of things—in order that the tribes might participate in the various forums, management forums and fishery production forums, it became very obvious that the key and integral part of that management is the enforcement, the ability of the tribes to set tribal regulations and then the capability to enforce those regulations. Not only is it a protection of the tribal sovereignty and the tribal treaty right to fish, but it is a very definite protection of the individual person who might be exercising that right. It is a protection of the resource itself, a resource which is in drastic decline.

Based upon that, the commission started working very diligently in 1979 toward setting up such a program, with the encouragement of the Bureau of Indian Affairs and Congress, to set up a law enforcement, an intertribal law enforcement program.

In 1981 the tribes agreed on a format and a structure for that intertribal enforcement program. In 1982 the Bureau of Indian Affairs made available some $165,000 for the purchase of equipment; boats, cars, uniforms, et cetera, but no moneys for running that equipment, nor any money for personnel to run that equipment.

In 1982 the tribes received $65,000 operation and maintenance funds to run the equipment, and two of the tribes, the Yakimas and the Warm Springs, were able on that year only to, in effect, steal officers from their reservation area and assign them to the fishing area off-reservation.

In 1983, last year, the Administration of Native Americans and the BIA entered into a memorandum of agreement to fund the program at $400,000 to implement it, get it off the ground. That agreement was signed, first, by Roy Samsole and David Lester, and then later it was signed again by John Fritz and Casey Witzlatch from A&A. To date, $200,000 of that was obtained.

The program has been implemented. Nine officers are hired and on the river. They have been trained at accredited police academies. They have been in operation since September on the river.

They have received endorsements of support from the Washington Department of Game Enforcement Agency, the Washington Department of Fisheries, the Idaho Department of Fisheries, the Oregon State Police, the U.S. Fish and Wildlife.

We are at the stage now where on February 1, I had to notify the members of that program that they would be terminated March 1, unless the promised funding from the Bureau for fiscal year 1984 was made immediately available. We have carried the enforcement section of that program through base funds of the commission, through the base $755,000 appropriation, based upon the commitment of the Bureau to refund that program.

We are at the stage now that not only must we terminate that program unless funds are made immediately available, but we must also curtail core activities of the commission itself for the remainder of fiscal year 1984.

We have been in negotiations and we have written letters to the Bureau since August of 1983, and we have had a number of meetings. We basically get the same response that Senator Andrews and Senator Melcher got this morning: "Well, we are looking into that. We are checking into that."

In the meantime, we have a program that has been 15 years in coming, 4 years in implementing, finally on the river, and everybody thinks—they do not think it is apple pie yet, but it is a program that is endorsed by tribes and by non-Indians, and it is in danger of being immediately jeopardized.

Beyond that is materials documenting the need for an appropriation of $522,000 for fiscal year 1985 which would carry that program through a full 12-month year.

Mr. ALEXANDER. At what level have your discussions with the Bureau been that you have been getting this explanation that they will look into it?

Mr. WAPATO. We have had the discussions with John Fritz and with Sid Mills.

Mr. ALEXANDER. How recent is that?

Mr. WAPATO. The most recent discussion with Sid Mills was approximately 3¼ hours ago.

Mr. ALEXANDER. And he is still looking into it?

Mr. WAPATO. Yes.

Mr. ALEXANDER. Nothing more substantive?

Mr. WAPATO. No. Unfortunately, he left the room with that management bulge.

We do have a meeting with John Fritz tomorrow.

Mr. ALEXANDER. We were told this morning that there would be a decision as to the program request for the moneys on 1984 for the ADP within a week or 10 days. We will try to hold the Bureau to that, and that may alleviate your problem.

Mr. WAPATO. It would alleviate, I think, several things. No. 1, that is an intertribal enforcement, which means it serves four tribes, not one. You do not have to have a quadruplicate system.

Mr. ALEXANDER. Administratively.

Mr. WAPATO. It saves the Federal Government in a number of ways: The National Marine Fisheries, the U.S. Fish and Wildlife. It saves in a number of areas in that way.

Once those people are laid off, you do not just turn the faucet back on and gear up again.

Mr. ALEXANDER. Yes, it costs more to start over.

Mr. WAPATO. That is right.

By the way, there has already been an investment of $600,000 since August 1982 in that program. It would seem that is a lot of dollars to go down the rathole.

Mr. ALEXANDER. We appreciate your coming today, and we will take your full statements for the record, including the letters that you have attached, and so on.

If I forget abut your program, I am sure Lefty Wilson of our staff will remind me, having an interest in the area.

Thank you.

Mr. **Wapato**. Fine. Thank you.

Mr. **Pinkham**. Thank you for your time.

[The prepared statement follows. Testimony resumes on p. 223.]

PREPARED
STATEMENT OF ALLEN PINKHAM, CHAIRMAN, COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION, BEFORE THE SELECT COMMITTEE ON INDIAN AFFAIRS, UNITED STATES SENATE, WASHINGTON, D.C., FEBRUARY 21, 1984

Mr. Chairman, members of the subcommittee, thank you for the opportunity to testify on behalf of the member tribes of the Columbia River Inter-Tribal Fish Commission in order to increase the Commission base budget for the purpose of providing inter-tribal law enforcement.

My name is Allen Pinkham and I am Chairman of the Nez Perce Tribal Executive Committee and the Columbia River Inter-Tribal Fish Commission. The Columbia River Inter-Tribal Fish Commission is composed of the Fish and Wildlife Committees of the Yakima, Warm Springs, Umatilla and Nez Perce Tribes. As an inter-tribal agency funded as a line item in the Interior budget, it functions to carry out the trust responsibility of the United States to the Columbia River treaty fishing tribes by providing a forum for developing coordinated management strategies and by providing technical assistance through trained fishery biologists and policy analysts. As a necessary adjunct of its co-management functions, the Commission also maintains a law enforcement system on the Columbia River.

During the seven years of Commission existence, great strides have been made through Commission deliberation and technical work in solidifying the co-management authority and responsibility of Commission member tribes. However, it is in the area of law enforcement that the Commission faces its greatest challenges and unresolved issues. And it is in this area that, without congressional assistance, we fear that our successes of the last six years will be devalued. Without enforcement of regulations to protect the resource and fishermen, the protection of habitat, and the development of harvest regulations quickly become meaningless.

Enforcement is a key to self-regulation, and self-regulation and co-management of our fishery resources are essential to the conservation and development of these resources for the economic, spiritual and cultural benefit of our people and all people who share in the Columbia River Resource. Also, as indicated in the attached letters from the states of Oregon, Washington and Idaho, inter-tribal law enforcement is essential for orderly, coordinated management by the many agencies with jurisdiction over Columbia River fishery resources. It should be noted here that the states have neither the resources nor the ability to effectively police the Indian fisheries; inter-tribal law enforcement is properly the responsibility of the treaty tribes and their trustee.

The inter-tribal enforcement program is also consistent with the President's Indian Policy that, as you know, focuses on tribal development of tribal resources. Our member tribes are and have always been spiritually, culturally and economically dependent upon our natural resources. That is why we reserved rights in our treaties to certain areas of land and to take fish at our usual and accustomed fishing places. It is also why the courts have recognized a trust responsibility on the part of the United States to safeguard the subject rights of our treaties. Without [illegible] technical expertise available through the Commission, the production of fish and the protection of habitat for rearing and spawning becomes increasingly impossible. So, too, without an effective tribal law enforcement program, the conservation and economic development of our fisheries is impossible both for our tribes and for others who utilize the fishery resources of the Columbia.

During the last year, we have determined that it is not possible to rely upon the Bureau of Indian Affairs commitments to fund the Inter-tribal law enforcement program even when that funding is supported by the entire Senate delegation of Oregon and Washington, by every affected law enforcement entity on the river, and by the BIA. However, our reliance upon the Bureau's previous commitments leads us to the point where over $550 thousand expended since August 1982 on equipment, O&M, personnel and training will be lost as an investment unless funding is secure in the FY85 budget.

In addition, failure to secure an increase in the Commission's base budget in order to provide law enforcement may result in inefficient and possibly discriminatory use of federal and state enforcement resources. In recent months there have been concentrated joint enforcement efforts mounted by federal and state enforcement agencies aimed at discrediting treaty fishing in general and tribal co-management authority in particular. Since October of 1980 there have been two large scale esoteric law enforcement under-cover operations financed by massive sums of federal dollars and conducted by the National Marine Fisheries and the U.S. Fish and Wildlife Service.

Inter-tribal enforcement can actually save federal dollars while improving tribal co-management performance. Liaison, communication and coordination have been established with local, state and federal enforcement agencies, greatly reducing tensions and increasing enforcement efficiency. Currently, the program is located in Hood River, Oregon in the treaty fishing zone. Program personnel include nine officers, five dispatcher/clerks and an administrator, all of whom function in law enforcement capacities. In addition, Indian fishermen now rely upon the Hood River office as a communication point to receive current information on seasons and regulations.

At this time, the current level of service provided by the CRITFC enforcement program is $522 thousand. We are currently working with the BIA to obtain the remainder of these funds during FY84 in order to prevent closure of the Commission. In FY85, however, we are requesting that Congress approve an increase in our current base budget from $755 thousand to $1.277 million. As indicated, we believe this budget increase is necessary and well-justified and we urge you to include it as part of the Department's FY85 budget.

February 14, 1984

MEMORANDUM

To: Senatorial Staffs and Bureau of Indian Affairs

From: S. Timothy Wapato, Executive Director of the
Columbia River Inter-Tribal Fish Commission

Subject: Program Justification for the Columbia River Inter-Tribal Fish Commission Enforcement System in the amount of $522,000.

The Columbia River Inter-Tribal Fish Commission (CRITFC) established in 1976, is the service organization comprised of the Fish and Wildlife Committees of the Treaty Tribes providing technical, biological and analytical assistance to the four Columbia River Indian tribes exercising federal court adjudicated treaty fishing rights in the Columbia River basin. Those tribes are the Yakima Indian Nation, the Confederated Tribes of the Warm Springs Reservation of Oregon, the Confederated Tribes of the Umatilla Indian Reservation of Oregon and the Nez Perce Tribe of Idaho. The tribes possess authorities for the sole management of their fishery resource on reservations and the co-management, with state and federal agencies, of the resource through treaties with the United States, court interpretations of those treaties and congressional legislative action.

The CRITFC has been a viable coordinating mechanism for the implementation of treaty rights affirmed in the U.S. v. Washington and U.S. v. Oregon cases and has been effective in the various forums involved in fishery management activities.

Program Need

The current need is for $522,000.

There is significant need for funding in order to retain the necessary personnel resources to properly implement a professional and credible inter-tribal enforcement program. The tribes possess the authority to manage or co-manage their fisheries resource. Through individual tribal efforts and through CRITFC, the tribes have increased their technical and biological capability and credibility to co-manage the resource. As the tribes have achieved this credibility they have been able to attain successes within fishery management forums, administrative processes, legislative processes (when requested by Congress) and in Federal Court actions.

The successes within these forums has led to renewed assaults upon treaty Indian fishing. In recent months there have been concentrated joint enforcement efforts mounted by federal and state enforcement agencies aimed at discrediting Indian treaty fishing in general and individual tribal government capability to manage in particular. Since October of 1980 there have been two large scale esoteric law enforcement under-cover operations financed by massive sums of federal dollars, conducted by the National Marine Fisheries Service and the U.S. Fish and Wildlife Service.

The CRITFC member tribes attempted to provide officers for patrol activities within the mainstem Columbia River by pulling manpower from the normal patrol areas on the respective reservations and reassigning them to fishery patrol. This effort met with only minimal success due mainly to an over-extension of an already limited manpower resource in the case of the Warm Springs and Yakima tribal enforcement agencies and due to the total lack of capability of either the Umatilla or Nez Perce tribes to assign anyone. Umatilla has only a 4-man tribal police force and Nez Perce has no force at the present time.

On May 10, 1983, the BIA made available funds in the amount of $200,000 to implement the program for the remainder of FY 1983. The program has been implemented and is headquartered in Hood River, Oregon, in the treaty fishing zone. The program personnel including nine (9) officers, five (5) dispatchers/clerks and the administrator have been actively engaged in enforcement and related activities. The National Marine Fisheries Service, U.S. Fish and Wildlife Service, Oregon State Police, Washington Department of Fisheries, and Washington Department of Game all have endorsed the CRITFC enforcement program.

The Indian fishermen have begun to rely upon the Hood River offices and officers as a readily accessible communication point to receive current information on seasons and regulations. Fishermen are initiating information and reporting incidents requiring enforcement activity.

The program is rapidly becoming an integral component of the tribal self-regulatory power allowing the tribes to more fully implement their management authority. Other enforcement agencies recognize that the purpose of the inter-tribal program is to enforce tribal regulations and consequently are informing the program of situations that fall under tribal responsibility.

The program implementations, the hiring of the officers and the relocating of those officers to the mainstem Columbia was all based upon the BIA commitment to on-going funding from the program. As you may recall Congressman Sidney Yates and Senator James McClure requested that the CRITFC provide information to Congress on the Interior and BIA budget for FY 1984. Congress was informed of the need for the enforcement program but due to other national priorities Congress was not able to provide necessary appropriations for FY 1984.

The current level of service provided by the CRITFC enforcement requires funding in the amount of $522,000. Any lesser funding will necessitate curtailment of [illegible] activity. There are currently no component of the program that are severable or expendable - indeed there are important issues that are handled only superficially due to lack of adequate staff time.

Letters from four Senators, the Executive Director of the American Fisheries Society, the Washington Department of Game, the Washington Department of Fisheries, the Oregon State Police, and the Bureau of Indian Affairs, Portland Area Office, are attached for your information.

STW/msw

Enclosure

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PROPOSED FY 1985 ENFORCEMENT BUDGET

Executive Director	12,000
Deputy Director	6,000
Personnel	
Law Enforcement Coordinator	
12 x 2,100	25,200
Captain	
12 x 2,250	27,200
Officers	
Yakima Indian Nation 12 x 2 x 1,600	37,200
Warm Springs 12 x 2 x 1,600	37,200
Umatilla 12 x 2 x 1,600	37,200
Inter-Tribe 12 x 2 x 1,600	37,200
Dispatchers/Secretary	
12 x 5 x 1,100	61,200
Research Interns	
2 x 9,100/yr.	18,200
	298,600
Fringe @ 23%	68,600
Travel/Per Diem	20,000
Equipment Operation & Maintenance	
6,150 x 12	73,800
Training	21,000
Office Maintenance & Equipment Replacement	
3,333 x 12	40,000
	$522,000

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United States Senate
WASHINGTON, D.C. 20510

May 17, 1983

The Honorable James G. Watt
Secretary of the Interior
Interior Building
"C" Street between 18th and 19th Streets N.W.
Washington, D.C. 20240

Dear Mr. Secretary:

The Bureau of Indian Affairs is now the only agency not fully cooperating with the efforts to increase the fisheries law enforcement effectiveness on the Columbia River. We strongly urge you to take prompt action to see that the responsibilities of the BIA on the Columbia River are fulfilled.

The BIA provides fishing sites to tribal fisherman "in lieu" of traditional sites lost to Federal hydroelectric development. No permanent structures are to be permitted on the "in lieu" sites. BIA's inaction and failure to enforce its own regulations has led to the establishment of a permanent community on one "in lieu" site, Cook's Landing in Skamania County, Washington. We are informed by state fishery officials that the site is the last remaining focal point for illegal fishing activity on the Columbia River -- legal Indian fishermen and tribal, state and Federal law enforcement officials are denied safe access to the landing.

The BIA stands in the way of law enforcement efforts by failing to take any action within their jurisdiction against these operations. Rather than being an obstruction, the BIA should be an active, participating law enforcement agency on the Columbia River. We hope that you will see that BIA cooperation increases.

Please keep us informed of your efforts to involve the BIA more fully in law enforcement activities on the Columbia River. Also, please promptly inform us of the steps you intend to take, and the time frame in which these steps will be accomplished, to solve the immediate problem at Cook's Landing.

Sincerely,

SLADE GORTON

Henry M Jackson
HENRY M. JACKSON

MARK HATFIELD

Bob Packwood
BOB PACKWOOD

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UNITED STATES GOVERNMENT

memorandum

DATE:

REPLY TO ATTN OF: Office of the Area Director

SUBJECT: Supplemental Funding Request, Fisheries Enforcement

TO: Assistant Secretary - Indian Affairs
Attention: Kenneth Smith, Code IA/00

Today I have received a copy of a letter from the Columbia River Inter-Tribal Fish Commission concerning a request for supplemental funding to continue a coordinated fisheries enforcement program on the Columbia River. This is a follow-up letter describing the need for this program as submitted by the Commission and forwarded with our memorandum to you dated September 26, 1983.

We again state our support for this program effort to protect fishing rights of treaty Indian tribes and request an early review for available funds.

Area Director

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P 26

Office of the Area Director

Supplemental Funding Request, Fisheries Enforcement

Assistant Secretary (Indian Affairs)

I have just received a request from Columbia River Inter-Tribal Fish Commission for supplemental funding of $522,000 to continue a coordinated fisheries enforcement program on the Columbia River.

We support continuing this enforcement effort to protect fishing rights treaty Indian Tribes and to maintain law and order in the mid-Columbia Basin.

My staff will provide an analysis of this proposal upon request from your office.

(Sgd) Stanley Speaks

Area Director

Attachments

LA:lmc:9/26/83:x6749
Surname
Chrony
Mailroom
5601M

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American Fisheries Society
ORGANIZED 1870 | INCORPORATED 1910

JOHN J. MAGNUSON
PRESIDENT 1982-1983

CARL R. SULLIVAN
EXECUTIVE DIRECTOR

ROBERT L. KENDALL
EDITOR

April 29, 1983

The Honorable Mark O. Hatfield, Chairman
Senate Appropriations Committee
Room S-128 Capitol Building
Washington, D.C. 20510

Dear Senator Hatfield:

In situations where Indian tribes have management authority over on-reservation, off-reservation, and migratory fishery resources, effective tribal and intertribal fisheries management programs are extremely important. Active tribal programs are necessary because the U.S. Fish and Wildlife Service has drastically reduced fishery technical services to the tribes. The Bureau of Indian Affairs does not have the staff, funds or inclination to provide these services directly in most cases, and states do not have the legal authority to manage tribal fisheries.

The only remaining option (and the one most tribes prefer to begin with) is for the tribes to manage the fisheries themselves. In most cases, due to extremely limited independent resources, the tribes need funding from the Federal government to perform the required management. The federal government is obligated to provide the necessary resources under its trust responsibility for the management of tribal resources. An effective mechanism for the funding of tribal programs exists in the P.L. 93-638 contract, but budget must be sufficient to fund the contracts on a regular basis to allow for program planning and continuity.

The tribes that have established fishery management programs have a good record of accomplishment. Many tribes have established conservation codes, enforcement units, tribal courts, fish hatcheries, biological monitoring systems, habitat improvement projects, and inter-governmental management agreements. They are fully qualified to manage or co-manage fishery resources. Many other tribes are striving to establish these capabilities, but are hampered by the lack of budgeting authority within the BIA.

The American Fisheries Society, with nearly 7,000 fisheries science members, has been actively involved in fisheries science matters for 113 years. Our Society supports tribal requests for increased line items for fisheries in the BIA budget. We do so on the federally established principle that there exists and unmet need for mangement of tribal fisheries.

The American Fisheries Society position on tribal fisheries matters is based on the attached resolution adopted at the Society's 110th annual meeting. Our request for increased BIA support of tribal fisheries programs is consistent with that resolution and consistent with the needs of the fisheries resources in question.

Respectfully,

Carl Sullivan

Carl R. Sullivan
Executive Director

CRS/ymw

attachment

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American Fisheries Society
ORGANIZED 1870 | INCORPORATED 1910

RICHARD A. RYDER
PRESIDENT 1980-1981

CARL R. SULLIVAN
EXECUTIVE DIRECTOR

ROBERT L. KENDALL
EDITOR

RESOLUTION - MANAGEMENT OF NATIVE AMERICAN TREATY FISHERIES

WHEREAS several Native American Tribes are currently exercising on-reservation and off-reservation fishing rights reserved by the tribes under treaties with the United States; and

WHEREAS court interpretations of the treaties to this date have stated that treaty-right fisheries are wholly or partially independent of State management authorities; and

WHEREAS fisheries of such importance require effective and responsible management based on dependable information and a concern for the fishery resources: Now, therefore, be it

RESOLVED, That the American Fisheries Society, assembled at its 110th Annual Meeting, September 23, 1980, in Louisville, Kentucky, strongly urges Native American Tribes exercising treaty-protected fishing rights to monitor, regulate and manage fisheries under their jurisdiction in a manner so as to enhance the conservation of the fishery resources; and be it further

RESOLVED, That Federal and State fisheries management agencies having Native American treaty-protected fisheries within their geographic boundaries, be strongly urged to enter into an understanding of general cooperation with such Tribes in the form of communication, mutual advisement and data exchange so as to promote a sound basis for conserving the fishery resources.

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IDAHO DEPARTMENT OF FISH AND GAME
600 South Walnut • Box 25
Boise • Idaho • 83707

February 8, 1984

Mr. Ken Smith, Assistant Secretary
Bureau of Indian Affairs, Room 4160
Department of the Interior
"C" Street between 18th & 19th NW
Washington DC 20240

Dear Mr. Smith:

It has been brought to our attention that funding for the law enforcement section of the Columbia River Inter-Tribal Fish Commission is being delayed. This delay is seriously impacting that unit's ability to properly protect upstream runs of salmon and steelhead coming through the Columbia River system. This is of major concern to the State of Idaho inasmuch as many of those fish, which may be taken illegally in the lower stretch of the river, are destined for Idaho waters.

We are also concerned that, if the Inter-Tribal Fish Commission does not take an active role in the enforcement of tribal regulations, the state regulatory bodies will have to take up a slack, creating additional strains on the already precarious relations between state management agencies and the Indian tribes along the river.

We would very much appreciate your intervention in seeing that funds for the Inter-Tribal Fish Commission enforcement operation are not unnecessarily delayed. Also, if there is anything that we can do at the state level to expedite those funds, please let us know.

Thank you very much for your attention.

Sincerely,

Jerry M. Conley
Director

cc: Senator James A. McClure
Senator Steven D. Symms
Representative George Hansen
Representative Larry E. Craig
The Secretary of Agriculture

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THE OREGONIAN, TUESDAY, FEBRUARY 14, 1984

Inter-tribal river patrol funds gone

By JEANIE SENIOR
Correspondent, The Oregonian

HOOD RIVER — Money for an Indian fisheries law enforcement program on the Columbia River has run out, and the agency's 14 officers will lose their jobs March 1 unless more financing is received from the federal government.

A delegation from the Columbia River Inter-Tribal Fish Commission is going to Washington, D.C., later this week to lobby for promised financing to continue the four-tribe commission's program.

S. Timothy Wapato, executive director of the commission, which represents the Yakima, Warm Springs, Umatilla and Nez Perce tribes, said the law enforcement section of the commission was to have received $500,000 in annual funding this fiscal year from the Bureau of Indian Affairs but only got $200,000. Financing for the commission itself, which totals $740,000 annually, is a direct congressional appropriation, which is how the commission also would like to see the law enforcement program financed.

The fisheries law enforcement effort, which Wapato said had been talked about for more than 15 years, was established in 1981, when $165,000 was allocated by BIA for acquisition of office space and equipment. The following year, $65,000 was provided to pay expenses for the patrol's tribal policemen. With the $200,000 in funding in May 1983, 14 employees were hired and the program went into full swing.

Notices sent

Wapato says the advance termination notices were sent out "only after great agony, because a program such as this, you can't turn it on and turn it off."

However, a BIA official in Washington, D.C., said no final decision has been made on the financing. "We're still trying to find funds to cover that project," said Sid Mills, director of the BIA office of trust responsibility.

Cooperation with law enforcement agencies on both sides of the 140-mile stretch of the Columbia River between Bonneville and McNary dams, which the Inter-Tribal Police Patrol look after, has been good, said Capt. David N. Rogers.

Fishing violations are directed to the tribal courts of the arrested individual, but Wapato and Rogers said the agency also deters harassment, vandalism and fish thefts, which have bothered Indian fishermen in the past.

During Indian fishing seasons, the patrols operate around the clock. Their "near presence" on the river acts as a deterrent, Wapato said.

If the fisheries enforcement program is discontinued, he predicted, the loss will be felt by other law enforcement agencies along the Columbia that have been short on manpower to enforce fishing regulations. "Enforcement is a very integral part of the management of the salmon resource," Wapato said.

There have been "innumerable conversations," said Wapato, regarding the delayed funding since last May. On Thursday and Friday, he will accompany Nez Perce tribal chairman Allen Pinkham, who also chairs the inter-tribal commission, and Katheryn Brigham, a representative of the Umatilla tribe, back to Washington D.C., in another effort to lobby for the remainder of this year's funding.

Mills said that while the program has been successful, the BIA is just short of money.

Funding for the commission comes under the trust responsibility accepted by the federal government when it signed treaties in 1855, accepting 15 million acres of land from the Umatilla, Yakima, Nez Perce and Warm Springs tribes.

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Tuesday, Feb. 14, 1984
Vancouver, Wash. The COLUMBIAN

Fishing law enforcers face funding loss

PORTLAND (AP) — An Indian-run fisheries law enforcement program on the Columbia River faces extinction unless federal funds are restored, the director of the Columbia River Inter-Tribal Fish Commission says.

The U.S. Bureau of Indian Affairs has told the commission it does not have the money to continue funding the 2-year-old program, Tim Wapato said Monday at a Portland news conference.

However, a bureau official in Washington, D.C., said Monday no final decision had been made on the funding.

"What I have said to them is we are still trying to find funds to cover that project," said Sid Mills, director of the bureau's Office of Trust Responsibility.

"It's a good project — we'd like to see it continue," Mills said.

The program enforces fishing regulations on the 140-mile commercial treaty fishing zone on the Columbia between Bonneville and McNary dams.

Last year, the bureau provided $2[illegible]0,000 for the program, which employs 15 people and works in cooperation with local and state law enforcement agencies, Wapato said. If the program does not receive the estimated $320,000 needed for 1984, the staff will be laid off March 1 and the 24-hour enforcement patrols will cease, he added.

"It makes no sense," Wapato said. "The bureau knows the program is needed. It's absolutely consistent with federal Indian policy."

Wapato said the commission is appealing for public and congressional support to continue the funding. The commission is the coordinating agency of four Columbia River treaty tribes for management of the river's fish resource.

"Making sure that fishing regulations are observed helps protect the salmon and steelhead resource. Inter-tribal enforcement is also a key to avoiding the inflammatory incidents of recent years," Wapato said.

Such incidents mostly comprised harassment of Indian fishermen by non-Indians. In the past year there have been no reports of such harassment, he added.

Wapato said the commission originally agreed to accept the funding on the condition that it would be continued through 1984. Mills disagreed.

"I'm not aware of that commitment," Mills said. "No funds were ever really earmarked for that program. We have just always worked and tried to find funds to keep it going."

PREPARED

STATEMENT OF ALLEN PINKHAM, CHAIRMAN, NEZ PERCE TRIBAL EXECUTIVE COMMITTEE, BEFORE THE SELECT COMMITTEE ON INDIAN AFFAIRS, UNITED STATES SENATE, WASHINGTON, D.C., FEBRUARY 21, 1984

Thank you, Mr. Chairman, for providing the opportunity to present certain concerns of Nez Perce Tribe regarding the FY1985 budget proposals. As a general matter affecting all Indian programs, we are concerned that appropriated program monies are being withheld from the tribes in order to cover potential ADP and other administrative costs. Specifically regarding Nez Perce program monies, we understand that our fisheries and law and order proposals are not being funded at this time because of a potential shortfall in administrative costs, even though our proposals have been placed on a priority funding list of the BIA Office of Trust Responsibilities. We understand that the Interior Department will seek a reprogramming of some $19 million from programs to meet these administrative and computer costs. If this is allowed to take place, such urgently needed programs as ours will not be funded.

TRIBAL FISHERIES RESOURCE MANAGEMENT PROGRAM

The Northern Idaho Agency review of December 23, 1983 (pages 21-22), states that the Agency has "no one on staff whose primary area of expertise involves fish and wildlife resources. This concern is further strengthened since both the agency and Land Services branch functional statements recognize the trust responsibility to protect and improve fish and wildlife resources and provide technical assistance to the three tribes on all matters pertaining to fish and wildlife.... The responsibility of the fish and wildlife resource program at Northern Idaho Agency is of particular significance due to the magnitude of the resources and the sensitivity of the tribal and non-tribal public with interest in the resources.

"For example, the anadromous fishery resource of the Nez Perce Tribe presently involves the largest remaining natural production area in the Columbia River Basin. There is presently considerable effort to preserve and/or enhance this fishery and associated habitat resource. The area involved is also subject to considerable development pressure; particularly small hydroelectric development.... The Nez Perce Tribe has an established fishery program and has initiated development of a wildlife program. In this case it may be appropriate to provide funding assistance to the tribe in order to accomplish BIA needs, particularly as these needs may involve resource data collection. Support of the tribal programs would preclude unnecesary duplication of effort." (Emphasis added.)

In 1981, the Nez Perce Tribe established a professionally staffed Tribal Fisheries Resource Management Program to provide the technical assistance needed for the Tribe to properly exercise our co-management authority over the fisheries resources within our 1855 ceded lands. This authority, which the Nez Perce Tribe shares with the States of Idaho, Oregon and Washington, is derived from historical fact, treaty language and case law. The Nez Perce Tribe views our co-management authority as both a right and a responsibility.

The ceded lands of the Nez Perce Tribe encompass 13.2 million acres in northcentral Idaho, northeastern Oregon, and southeastern Washington. The ceded lands of the Tribe are larger and include more salmon and steelhead habitat than any other Tribe in the Northwest. Included in the ceded lands of the Nez Perce Tribe are the Salmon, Clearwater, Selway, Lochsa, Payette and Weiser Rivers in Idaho, the Grande Ronde, Minam, Lostine, Wallowa, and Imnaha Rivers in Oregon and the Tucannon, Palouse and Wenaha Rivers in Washington. In addition, the Snake River courses for some 220 miles through Nez Perce ceded lands.

Current runs of salmon to the Snake River system are at historically low levels. The summer chinook salmon of the Snake River system are now being studied for potential classification as an endangered species. In recent years, the Nez Perce Tribe has had to close subsistence tribal fisheries because of the low escapement of spring chinook salmon to Idaho. These facts illustrate that past management and restoration efforts by state and federal fisheries agencies have not been successful. It is imperative that the Nez Perce Tribe undertake our own efforts to restore salmon in the Snake River drainage. The restoration of these runs to our ceded lands is not simply a matter of supplying sport and commercial fishing to non-Indians, as is the objective of state and federal fisheries agencies. If the fight to restore salmon to the Snake River is lost, our tribal members will lose not only subsistence and commercial fishing opportunities, we will also lose the religious and ceremonial aspects that the salmon have brought to Nez Perce country for centuries.

The continued decline of Snake River salmon stocks is a matter of scientific record. Although many factors have contributed to this decline, virtually all can be traced to the activities of man. Most of the negative impact on Columbia-Snake River anadromous fish stocks that were associated with water development activities could have been prevented or at least mitigated. Millions of dollars are being spent annually in the Columbia River Basin to rehabilitate anadromous fish habitat that has been allowed to become degraded through improper water development activities and poor land-use practices. The fisheries habitat should be adequately protected in the first place rather than allowed to become degraded and to result in soaring rehabilitation costs. Only with the proper review and analysis of permit applications, environmental assessments and environmental impact statements affecting waterways can this be achieved. The Tribe has been placed in the unfortunate but necessary position of objecting to each permit application for low-head hydroelectric projects, simply because we do not have sufficient technical data upon which to base an informed judgment.

The Tribe's Fisheries Department provides technical assistance for the Tribe to properly co-manage the fisheries resources within the 1855 ceded lands area. Most of the funding for these efforts have come from the Bonneville Power Administration (BPA). Much additional work is critically needed, but is beyond the scope of BPA funding guidelines. These areas include administration, planning, habitat protection (permit review), harvest management, creel census and clerical services. Funding would not only supply the Nez Perce Tribe with the technical ability to responsibly co-manage fisheries resources within our 1855 treaty area, but would also facilitate Tribal-State and Tribal-Federal coordination in the continuing efforts to restore salmon to the Snake River system.

It is our hope that $162,140 will be provided in FY85 appropriations ($134,000 direct costs, $28,140 indirect costs) as a line item for the Tribe to fully and responsibly exercise our co-management authority. The direct costs will provide for the full time services of: 1) the Tribal Fisheries Department Director, whose major duties will be to administer, develop and implement the activities of the Department while coordinating with State and Federal fisheries agencies and providing the Tribe with technical input for management decisions; 2) a fishery biologist for environmental/habitat protection through permit, EA and EIS review; 3) a fishery technician for creel census evaluations to determine tribal harvest for the setting of fishing seasons; and 4) clerical services and necessary travel.

IMPLEMENTATION OF THE NEZ PERCE LAW AND ORDER CODE

The Nez Perce Law and Order Code was approved by the BIA Northern Idaho Agency on January 4, 1984, in accordance with a Regional Solicitor's Memorandum of December 16, 1983, and pursuant to a Nez Perce Tribal Executive Committee (NPTEC) Resolution of September 27-28, 1983. In order to implement the Code, the Nez Perce Tribe requests an FY1985 line item appropriation of $305,588. (A detailed budget projection has been provided to the staff of the Subcommittee, together with the above-referenced documents.)

Components of the Nez Perce Judicial Services Branch for which funding is sought are the Nez Perce Court Department (including one full-time Chief Judge, one part-time Associate Judge, one part-time Court Advisor and one full-time Law and Order clerk) and the Nez Perce Law Enforcement Department (including one Supervisor/Captain, one Police Sgt. and four Police officers). Other costs involve necessary travel, equipment and training expenses.

Funding for implementation of the Law and Order Code is directly tied to our fisheries management responsibilities and to our general relations with the non-Indian people within and neighboring our territory. We view this program, along with the fisheries program, as our top priority funding items for FY1985.

COMMUNITY HEALTH REPRESENTATIVES

Since 1969, Indian tribes throughout the country have contracted with IHS either through the Buy Indian Act or the Self-Determination Act for CHR programs to meet health needs on reservations while the CHRs have become the backbone of tribal health delivery systems, attempts have been made since 1981 to eradicate the CHR program, which has been cut by 21% since that time and which is proposed for no funding in FY1985.

The Nez Perce Tribe views the CHR program as valuable and cost-effective. As an example from the Portland Area, we have found that each CHR makes contact with 75 clients per month. On a yearly average, this amounts to 900 services per CHR, with an annual cost of $1,984,920 for the entire Northwest, which translates into a cost of $18 per CHR service. In most areas, CHRs are the only providers of home health care, and IHS tells us there has been a drastic reduction in number of days spent in the hospital as a result of the CHR program. CHR programs do not duplicate [illegible] services, but respond to needs not addressed by either IHS [illegible] other programs. The CHR program saves significant costs of [illegible]rtation to and from IHS hospitals and clinics. For any [illegible]lance to drive from Lewiston to Lapwai and return would cost [illegible] IHS $125. For the CHR programs, the cost is $6.57. Many CHRs have been specially trained for up to 15 years. The maturity gained from this experience provides a pool of skilled tribal health workers that is necessary to effectuate the delivery of health services in a cross-cultural setting.

It is our recommendation that Congress continue the CHR program, with considerations for a justifiable cost-of-living increase. For past three years, CHRs have received a cost-of-living increase, and some CHRs live at a sub-poverty level.

Mr. **Alexander**. Maxine Edmo of the Education Committee of the Shoshone-Bannock Tribe.

STATEMENT OF MAXINE EDMO, CHAIRPERSON, SHOSHONE-BANNOCK EDUCATION COMMITTEE, FORT HALL INDIAN RESERVATION, FORT HALL, ID, ACCOMPANIED BY WILLIAM EDMO, EDUCATION DIRECTOR, SHOSHONE-BANNOCK TRIBE

Ms. **Maxine Edmo**. Thank you.

My name is Maxine Edmo, the chairperson of the Education Committee and school board member for the Shoshone-Bannock Tribe at Fort Hall, ID. To my left is William Edmo, our education director for the tribe.

I appreciate the opportunity to appear before you today to seek your assistance in continuing vital education programs and services to the members of my tribe and other federally recognized tribes.

Our written statement concerning our feelings on Federal issues was submitted this morning for the record.

We feel that the U.S. Congress has a trust responsibility to Indian Tribes and not just to the land and resources, but to Indian education also.

We believe that, just as Indian people cannot be separated from their lands, neither can the trust responsibility be separated between obligations that run with the land and obligations that serve tribal governments and their members. The two are not severable into distinct bureaucratic categories. Education, we feel, is an element of the trust responsibility, as is resource protection.

We are opposed to the reorganization efforts that are currently taking place, and we feel that we are opposed due to the reorganization based on budget cuts. This has been happening for the last few years.

In the Northwest we do not have any education staff, BIA education staff, at our local agency. I believe tribes feel that, like I said, education is a part of the trust responsibility. We are opposed to this reorganization because they are doing these things without consulting Indian tribes.

Our recommendations are included in our statement.

The other reason that we are concerned about our position on the boarding schools is this: We feel that the BIA should abandon its plan to close the boarding schools, specifically the Intermountain School at Brigham City, UT. We feel that there is a need for special high schools to provide innovative and compensatory programs for Indian youth who are unsuccessful in other school settings.

That school has served from 1974 until the present in a superior fashion. The Indian Health Service has assisted with a lot of programs at that school, and I think that is really the key to effective programs.

They did have a solo parent program at one time, but it was transferred out of there. I feel that it has been effectively destroyed because of the transfer.

The reason that we feel so strongly for Intermountain is that this is the nearest boarding school to our reservation. It is just south of us. We are just north of the school. We are located in southern Idaho.

The other thing is in the standards section of the proposed regulations, they drew lines on the map stating where our students should go to school. They told us to stay within the Portland region. I disagree with that because this boarding school is closest to our reservation, within the Phoenix area.

The other problem we have is that we have our own contract school, and the time that it takes to receive the funds to operate the school is just unbelievable. We still do not have a letter of credit, and the school is almost over with for this year.

It takes months to receive the funds, so we are recommending forward funding. We feel that this will assist in solving some of the concerns that we have. Indirect costs should be forward funded also.

The other thing is students are referred to our school from the public school. They receive special education funds through the public school district, but when they are put into our contract schools, we are not able to count these same students, which we feel is very unfair. We feel that remedies need to be made so that we are not discriminated against.

The other concern I wanted to mention is the conference report concerning the investigative study on contract schools that was done by the Congress. We know that we have had problems, but the 638 law and the Indian Education Act have been in effect just for a few years, so we feel strongly that Indians really need to receive the funds to continue these programs. We have been at the job for less than 10 years, as compared to the non-Indian system.

I would like to refer to the Presidential report on excellence in education titled, "A Nation at Risk." I believe they, themselves, stated that their public schools have problems, and they have had over 100 years to refine their systems.

We feel that there should be a separate line item for school-board training. This year we have three new school-board members, and we have not been able to train them due to the lack of funds.

I guess in the appropriations report last year it stated that we were supposed to have regional training, but to this day I have not seen any training. That is a problem. We feel there needs to be a specific line item for that purpose for school-board training at the local level.

The other thing is the attempt to reprogram approximately $6 million in BIA moneys. If this is done—maybe this is one of the reasons why we haven't received our funds. We are opposed to what they are doing. We feel that the current programs need to be maintained at their current level at which they were appropriated. We urge the Congress to supplement needed moneys in this fiscal year.

Then, as stated just previously, we have had problems with the ISEP formula funding. Intermountain School had a real good vocational program. Because vocational education was not included in the formula, then those programs were effectively destroyed, also, cut back and crippled. Vocational education programs should be included in the ISEP formula.

Also, early childhood has been excluded. We feel that the BIA needs to live up to their policies that were drafted when title XI of 561 became law and the rules and regulations were drafted.

Specifically, I am referring to the Indian education policy section, part 32. We really believe strongly in that policy section. We feel that it should be implemented. We do not feel that it is being implemented correctly. Those are good regulations that we agree with.

The other thing that I see as a problem is the rules and regulations for the construction funds for contract schools. At one time we were No. 1 on the list, but, due to those rules and regulations, and what they say about unhoused or housed, their definition, this is what really did us under. I feel that those rules and regulations need to be revised and reviewed at again, so that schools such as ours can be No. 1 on the construction list again.

We live in an area where there is a lot of prejudice. That should be considered, but is not, under the current rules and regulations. Thank you for your attention.

I will turn the time over to William Edmo, and he can discuss other concerns.

STATEMENT OF WILLIAM EDMO, EDUCATION DIRECTOR, THE SHOSHONE-BANNOCK TRIBES

Mr. Edmo. I would just like to briefly state a few problems and issues, and perhaps just recommend solutions to those problems.

First of all, the Federal trust responsibility seems to be in a gray area. I think with each new administration they interpret the trust responsibility a little bit differently. The trust responsibility needs to be understood by the present administration, so that trust responsibility not only extends to our lands and our natural resources, but to the education of our children, who need a continuous education in order to survive in today's world.

We have recently, as a result of the BIA so-called reorganization, even though it was not authorized, had to contract for our higher education grant program. When we contracted for the program, we found out that there was no money in there for program administration money. So we had to use the scholarship money for program administration.

Also, for vocational education, the Bureau of Indian Affairs has never matched the 1-percent set-aside agreement. I think that the Congress should recognize these facts and bring the BIA into compliance with these congressional acts.

I believe that JOM money and Public Law 81-74 moneys that go to the public schools and are used by these schools in lieu of taxes, that the LEA or the tribal governments do not have any input into the use of those funds. I think they need more involvement.

With Public Law 815 school construction money, I believe those guidelines should receive a careful look, and some schools that were disallowed should have at least the chance to appeal those decisions.

With the tribal community college bill, 95-471, we are presently planning for a community college, but we find that there is no planning money available. Just simply to do a feasibility study, we have to identify other areas, when I think 95-471 should include money for planning.

Under Public Law 92-318, the Indian Education Act, I think simply because Indian people have experienced a great deal of success with the Indian Education Act, I do not think that they should discontinue those programs. In fact, I think that they should put money into the Indian Education Act because we have a lot of talented people who have gone through the title IV fellowships, as an example, and I think that the Indian tribes have benefited by this a great deal.

Also, for title IV, part (c), I believe there is only $2 million in there at the present time. We have a model career training program under title IV, part (c). This year there will only be a few projects like this funded for our adult population.

Also, I do not believe that chapter 1, title VII, and other programs that benefit Indian students necessarily overlap. In fact, I think they compliment each other, and each one has a specific purpose and goal.

Thank you very much.

Ms. MAXINE EDMO. I forgot to mention one other thing. Our tribal schools have not been able to receive Johnson O'Malley funds for the last—I believe it was 2 years. We strongly feel that those funds should be restored to the contract schools.

In 1959 I served on the JOM Task Force, which was a national task force that was put together under title XI, and we recommended that BIA schools and contract schools receive the funds. But the last 2 years we have not received Johnson O'Malley funds, and we strongly feel that our schools should be allowed to receive those funds.

That is all I have unless you have any questions.

Mr. ALEXANDER. Thank you.

I have a couple of questions.

You mentioned an early childhood program that you formerly ran. Was that a program that was funded by the BIA as a preschool program?

Ms. MAXINE EDMO. All we have right now is a Head Start Program, as funded under the Department of Education. It is the Indian and migrant program.

Like I said, in the policies for the BIA that were developed, we feel that tribes should receive early childhood funds.

Mr. ALEXANDER. Does the program that you now operate under Head Start provide the same level and kinds of services that the preschool program did?

Ms. MAXINE EDMO. No, I do not believe so. We have day care that does not receive any funding at all. It is just parents that get together and try to operate on their own. They are having a hard time trying to get the money to run those little programs.

I feel that early childhood is an area that really needs to be funded for all federally recognized tribes.

Mr. ALEXANDER. Both of you, in different ways, mentioned the problem with contract support. We have had a report from the Bureau, in their budget justification, that in the series of meetings around the country on the new method for funding indirect costs that tribes have generally supported the Bureau's position on the new method of funding for indirect costs. Has that been your experience or have you been invited to any of these meetings? Do you support that?

Ms. **Maxine Edmo**. There was a meeting in Spokane recently, but I was not able to attend that. I understand the tribe did take the position that there was not enough funding for indirect costs for tribes. I believe that our tribe spent more than what they were reimbursed.

Mr. **Alexander**. Thank you.

Ms. **Maxine Edmo**. This creates a problem for tribes.

Mr. **Alexander**. A significant one.

Ms. **Maxine Edmo**. Yes.

Mr. **Alexander**. Do you have anything to add on that issue?

Ms. **Maxine Edmo**. Just for the contract support money, there is absolutely no contract support money for program administration. I believe that should be changed.

Mr. **Alexander**. Thank you both very much for your patience today.

Oh, excuse me. Ginny Boylan has a few questions for you.

Ms. **Boylan**. On page 2 of your written statement, you mention BIA plans to reorganize its Indian education responsibility. There is no indication to us in this budget that there is any major reorganization underway. Maybe you know something we do not.

Ms. **Maxine Edmo**. Well, I know that, due to the budget cuts, they are always RIFing people up in the Northwest. Right now we do not have any BIA education staff at our agency at Fort Hall. We used to have five positions at one time. Right now, we have zero.

All of our contract information is mailed to the northern Idaho agency, and from there, in turn, they mail it to the Portland area office, which really creates problems in administration. Sometimes our contracts get lost for months in the process.

Ms. **Boylan**. Is this the procedure you use for procurement for school supplies and that sort of thing?

Ms. **Maxine Edmo**. This is for our regular 638 contracts in education. Due to the line authority that was established under 561, education was separated from BIA. This is why we are in the problem that we are.

We really feel that oversight hearings need to be held in title XI of 561.

Ms. **Boylan**. But you do not know of any formal reorganization? It is sort of being done through the budget cuts.

Ms. **Maxine Edmo**. Yes, through the budget cuts.

Ms. **Boylan**. Another question is, you mentioned your school's standing on the Bureau's priority list for new school construction. Were you on that list?

Ms. **Maxine Edmo**. We were No. 1 at one time several years ago.

Ms. **Boylan**. When was that?

Ms. **Maxine Edmo**. That is when Rick Lavis and Forest Gerard were still in office, but at that time the rules and regulations were changed, and we were taken off of that list. There were funds earmarked for our school. We were No. 1 on the priority list.

Ms. **Boylan**. Where are your students now housed? Do they have a facility?

Ms. Maxine Edmo. W[illegible], we have an old recreation building that we had to move into because the other one was too hazardous. They are in a recreation building now, in the basement.

Ms. Boylan. How many students are there?

Ms. Maxine Edmo. We have about 65 students.

Ms. Boylan. Is this elementary or high school?

Ms. Maxine Edmo. Grades 7 through 12. We have a junior high and we have junior high teachers and high school teachers.

Ms. Boylan. This is the Fort Hall Shoshone-Bannock Junior-Senior High School?

Ms. Maxine Edmo. Yes.

Ms. Boylan. I have seen lists for the last 3 years, and I have never seen you listed.

Ms. Maxine Edmo. In 1977, we were No. 1 in the Nation. The public schools adjacent to our reservation—they just put a boundary line in the center of the reservation, and students on this side would go Pocatello and students on the other side would go to Blackfoot. As a result of attending off the reservation schools, they miss all of the extracurricular activities at school because they are bused for up to 1 hour a day.

When we put this report together in 1977, our application was in and we were ranked No. 1 in the Nation. But, the local school board superintendents, off the reservation, felt that they would lose Federal money for impact aid and JOM, so, they did not want us to have our own school. There was a lot of political hassle. As a consequence, we never did get to have our school. But we were ranked and our application was the best. We established a need and everything, but somehow or another, they—I went to work on my Ph.D., and I do not know what happened after that.

Ms. Boylan. You then went off the committee?

Ms. Maxine Edmo. It is a very peculiar situation, to say the least.

Ms. Boylan. When did you become a contract school?

Ms. Maxine Edmo. We have been in existence about 8 years.

Ms. Boylan. So it was like at the same time you became a contract school instead of a Bureau school that you were taken off the list.

Did you take over from the Bureau school?

Ms. Maxine Edmo. It was a contract school from the beginning.

Ms. Boylan. From the very beginning?

Ms. Maxine Edmo. There never was a BIA school.

Ms. Boylan. And you did have a priority? I do not understand it.

Mr. Edmo. Yes.

Ms. Boylan. We will look into it.

Mr. Edmo. Thank you.

The other thing is, I had a study that I wanted to submit. It was done by Glen Latham[1] concerning the boarding schools. I forgot to bring an extra copy, but I will send it in. I really feel that throws a different light on everything.

Ms. Boylan. Thank you.

[The prepared statement follows. Testimony resumes on p. 238.]

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[1] Retained in committee files.

The SHOSHONE-BANNOCK TRIBES

FORT HALL INDIAN RESERVATION
PHONE (208) 238-3861
(208) 238-3880

TRIBAL EDUCATION COMMITTEE
P. O. BOX 306
FORT HALL, IDAHO 83203

February 21, 1984

STATEMENT OF POSITIONS ON FEDERAL INDIAN EDUCATION ISSUES & BUDGET

SHOSHONE-BANNOCK TRIBES OF IDAHO

MEMBERS OF THE COMMITTEE:

My name is Maxine Edmo, Chairperson of the Tribal Education Committee and School Board member Shoshone-Bannock Tribes, Fort Hall, Idaho. We are located in Southeast Idaho with a land base of 544,974 acres.

Mr. Chairman and members of the Sub-Committee I appreciate the opportunity to appear before you today to seek your assistance in continuing vital education programs and services to the members of my Tribe and other federally recognized tribes.

Our Tribes the Shoshone-Bannock is concerned about the protection of our trust relationship with the Federal Government (which emanates from the sovereign status established by our Treaty of 1868). Basic to this concern is the role of the Bureau of Indian Affairs (BIA) as the agency vested with federal responsibility of satisfying that trust relationship explicitly.

The mission of the BIA was founded on a government to government relationship and the trust responsibility to Tribes recognized by the federal government. By law Indian Tribes are recognized as sovereign entities, separate and distinct from the states. The present Administration proposes to diminish Indian education funds by denying the obligation of the federal government to provide education to Indians. The current Administrations fiscal policies toward education intends to change many of the rules of Indian Affairs that have stood for the past 200 years. In particular we interpret the latest efforts as yet another threat to Tribal sovereignity by placing tribes on a subordinate level to the states of America.

MAJOR FEDERAL ISSUES

By formal resolution the Business Council of the Shoshone-Bannock Tribes has endorsed papers addressing Indian Education. These papers incorporate the following conclusions:

MAJOR FEDERAL ISSUES (continued)

1. The Shoshone Bannock Tribes asserts that the federal government has an enduring trust responsibility toward education as well as Medical Services and Social Services to the federally recognized Tribes. This trust responsibility has been repeatedly affirmed by treaties, the United States Constitution, the United States Supreme Court, federal statutes, Executive Orders and the United States Congress in numerous public laws. This trust responsibility extends from our reservation and its natural resources to our Tribal Members. Through treaties and other federal laws the United States also agreed to provide other guarantees that the tribes would continue in perpetuity with support from the federal government.

   We believe unequivocably that just as Indian people cannot be separated from their lands, neither can the trust responsiblity be separated between obligations that run with the land and obligations that serve tribal governments and their members. The two are not severable into distinct bureaucratic categories.

   Education is as essential an element of the trust reponsibility as is resource protection. For generations, the United States has funded Indian Education because other resources are not available. These agreements and treaties were made before states became states of America. This federal involvement evolved historically from the unique legal and moral duty which the United States owes Indian Tribes. This responsibility exists and must continue.

2. Congress should halt the BIA plans to reorganize Indian education responsibilities until the Tribal governments have a meaningful opportunity to be consulted and information reviewed on a timely basis on proposed actions in the appropriate legislative and administrative forums.

   The proposed reorganization of BIA Education came out of no where with no opportunity for Tribal review and consultation. Wrapped in its budget cutting cover the reorganization has been difficult to monitor and impossible for Tribes to make an impact on. Until an opportunity is provided for Tribes to get meaningful and timely information prior to any changes so they can react constructively to alternatives, we will continue to oppose reorganization based on budget cuts.

3. Congress should require the BIA to justify its budget reduction and reorganization recommendations by specifying:

   A. The Administrative effects of such changes,
   B. The programmatic benefits of such changes for Tribes,
   C. The level of services or decreases which Tribal Governments can expect after the change,
   D. Consult with Tribes prior to any change.

MAJOR FEDERAL ISSUES (continued)

3. (continued)

The Bureau of Indian Affairs (BIA) should abandon its plan to close Boarding Schools, specifically Intermountain Inter Tribal School at Brigham City, Utah. There is a need for a special high school to provide innovative and compensatory programs for Indian youth who are unsuccessful in other school settings (public schools). This boarding school has served from 1974 to the present that role in a superior fashion. Transferring programs to other sites is impossible (example: Solo Parent program effectively destroyed). Our concern is for the students that are educated at these schools. The education of these students are sacrified without regard to the consequences. Treaty agreements and federal law both require that actions on Indian education policies and changes in education programs have the full approval and endorsement of the Tribes. Future funding levels should reflect a continuation for this Boarding School.

4. The Sho-Ban School of Fort Hall, Idaho is very concerned with any budgetary matters; forward funding for BIA education is critical.

The Sho-Ban School is relatively new being just eight years old. However, since its conception it has had problems with the BIA and/or the Portland Area Office (BIA) concerning the time involved to award contracts. Typically school is underway 4 to 6 months before Letters of Credit or contract awards are made. The Shoshone-Bannock Tribes have been very patient with this issue but are requesting remedies. If, we did not act in good faith and did not start the school until we had the money in hand, we could not operate. This is not new.

We are also concerned with the Special Education aspect of Indian Education. Indian students are not successful in the public school. In the public school system eligible students are counted for special education and the public school receives federal funds for them. The BIA guidelines for Special Education are more stringent and the Contract School are not allowed to count the same students. This is very unfair for our Tribal Contract Schools. We are requesting that remedies are made so that services to our students do not decline.

TRIBAL CONTRACT SCHOOLS ISSUES

1. In the Conference report dated June 21, 1983 concerning the Department of Interior and Related Agencies appropriation bill for 1984, page 47. The Committee requested that an investigative study be conducted on BIA Contract Schools. A number of issues regarding the operation of Contract Schools was addressed in the report. The Tribe have contracted for our own Tribal School at Fort Hall. The negative observation cited as example of contract school operations and thus of Tribal

TRIBAL CONTRACT SCHOOLS ISSUES (continued)

1. (continued)

responsibility can be recognized and either avoided or addressed by an adequate budget and careful planning by all people involved. Though in many instances the Bureau of Indian Affairs may be at fault, the benefit or loss falls to the Tribes and its young people. As stated in previous testimony, we at Fort Hall have no Bureau of Indian Affairs Education staff personnel located at Fort Hall. Due to budget cuts and Reduction in Force (R.I.F.) actions we have to call or mail contract information to the Northern Idaho Agency and in turn mailed from there to the BIA Portland Area Office.

2. The Presidential report on Excellence in Education titled "A Nation At Risk" develcped by the Commission on Education has clearly indicated that the public school educational system have not been adequately meeting any Ethnic group's educational needs, and the report further questions the dedication, quality and effectiveness of teachers utilized in the public school systems. Ramifications impacting reservation educational achievement is reflected in high Indian student dropout rates which continues to perpetuate the problems that the former Department of Interior Secretary Watt identified during his press release.

3. Tribes have had to do their best in trying to undo the damage that was done in the public school system to our students. Given the ten years of direct participation in Indian Education by Tribal people. Tribes have developed some top quality education service delivery based on the enactment of Public Law 93-638 and Public Law 95-561, Title XI. Tribes should not be penalized for getting involved. The non-Indian system have had over 100 years to work and refine their education system with the example as cited above. We therefore recommend that Congress fully fund the contract schools and Bureau of Indian Affairs Boarding Schools with a separate line item for School Board Training.in Fiscal Year 1985 and 1986

We believe that EDUCATION is an equal part of overall Tribal development. No nation can survive very long without an educated populace and we view education and training as a key to progress.

It is our understanding that some $5.898 million in Bureau education program dollars for the current fiscal year will be internally reprogrammed to accommodate a Bureau-wide AIP system. This will place a great hardship on all tribal education programs including that of the Shoshone-Bannock Tribe. If this proposal is to become a reality, we urge the Congress to supplement critically-needed monies in this fiscal year to compensate for this loss, and to maintain the programs uninterrupted at their current, planned levels.

CONCLUSION

Other programs just as important are not listed due to time and space that deal with trust responsibility of the Federal Government, the Department of Education programs, etc. Our concerns are the same for all of these.

Tribes have spent many long and deliberate sessions in planning and developing priorities over the past several years to provide for growth and development of educational programs. This apparently has been futile as the current Administration policy to block grant federal dollars to states is all right for non-Indian forms of government. We feel that provisions need to be made for Treaty Tribes and the continued federal responsibility to Tribes.

The only guarantee that Indian Tribes have to receive funds is if the funds are channeled through the Bureau of Indian Affairs. Our Tribe does not have the private sector industrial base or other alternatives to fund programs for development and employment.

Let not our National Government repeat violations of agreements with the first Americans. Your continued federal support is essential for Tribal survival in Fiscal Year 1985.

We will request that the record remain open so that we may submit additional testimony from our Tribes. Thank you.

Respectfully submitted,

SHOSHONE-BANNOCK EDUCATION COMMITTEE

Maxine Edmo, Chairperson

[Subsequent to the hearing the following material was received for the record.]

February 28, 1984

Representative James V. Hansen
Room 1113
Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Hansen:

Thank you for your letter of February 1, 1984 in response to my Indian student Status Report.

Please indulge me as I make a point-by-point response to both your letter and to other statements that you have made relative to the closure of the Intermountain Intertribal Indian School.

In your letter, you asked me to join with you in facing reality. That, Mr. Hansen, is precisely why I am determined to pursue this matter so doggedly. The grim face of reality is what is so compelling, and I will depict for you here many of its forboding features and expressions.

You are absolutely correct when you say that the BIA "plans to phase out all off-reservation boarding schools." In fact, they have been trying to do so for years, despite data of their own which speaks against the wisdom of such a decision. In 1978, the BIA conducted a study entitled "Off-Reservation Residential Schools Operated by the Bureau of Indian Affairs." The study was commissioned by Mr. Rick Lewis, at that time Deputy Secretary for Programs. The study team was composed of BIA personnel representing five BIA Area Office. (I have a copy of the report in my files.) Here are selected representative excerpts from the report which pertain to the value of ORBS:

> "[The] story is that the off-reservation boarding schools are meeting a very difficult educational challenge and not getting credit for the good work they are doing." p. 1

> "It is a matter of record that the public schools have failed at least 70% of the students enrolled in our residential schools." p. 1

You told me in your letter that "The BIA is upgrading its programs at other ORBS to accommodate Intermountain students..." I wish that was an accurate statement, but it is not.

I was in Phoenix a short time ago making a presentation to Indian educators, and we were visited by a high-ranking administrator from the Phoenix BIA Area who announced that they just had received word that Phoenix Indian School was to be closed at the end of the next school year. That intention has since been confirmed, and it is now common knowledge. This might explain why the original budget of upwards of a million dollars to transfer the vocational educational program from the Intermountian Indian School in Phoenix is steadily being reduced. It is now down to about $200,000.00, and declining. The school year is nearly two-thirds gone, and no intended program exists. The bottom line is, the program is not being transferred as claimed.

Last year I completed a very thorough study of the curriculum needs of Indian students on over a dozen reservations. What was the greatest need of secondary level students? You guessed it: vocational and pre-vocational training. And is it any wonder, with unemployment among Indians ranging between 40-85%? And in this state of affairs, the single best school-based vocational training program in all the BIA is being dismantled. Unbelievable. Absolutely unbelievable! It is a travesty.

Intermountain Indian School is the only -- I repeat, only! -- BIA school with a true vocational program. Anywhere else, there exists only practical arts programs. It's a matter of trade school opportunities vs. woodworking classes.

Another example of the failure to transfer programs is the Solo Parent Program. Prior to last year, when they "transferred," the solo parent program from Intermountian Indian School to Sherman, Intermountain Indian School had 37 girls enrolled. Fifteen of the eighteen in the senior class graduated. That's 83% of a very high-risk population. The program was transferred to Sherman, and began the school year with thirteen girls. By years' end, there was one girl left. All of the rest had dropped out. That's a 2.3% completion rate, and a 0% graduation rate. They are struggling again to make it work, but with little success.

These programs are being transferred, alright. They are being transferred into oblivion. The transfer of exemplary programs among the BIA schools is a myth, and to believe for one single moment that all that is good for Indian education at Intermountain will be successfully transferred to other ORBS within the next three months -- WOW!! Mountain moving faith is kids' stuff by comparison.

In a talk before the Kaysville Chamber of Commerce, you made several points in support of your determination to close Intermountain School. You said that "Educating students closer to home would save tax payer money." So would national disarmament, and the dismantling of the military. But money isn't the only--or major--issue. You failed to recognize that to provide some services, one must have a critical mass of students in order to make programs available. For example, there are many Indian children with special needs: social and emotional problems, educational and learning problems, and so on. The Lavis Report contains this statement, and I quote:, "There are those whose behavioral problems are too difficult for solutions by their families or by existing community resources, and who can benefit by the more structured environment of a boarding school without harming other children." Fifty-three percent (53%) of the Intermountain student population is at the school because there is no place else to go. They are court-referred, are "incorrigible," have severe social problems, and there are simply no programs on the reservation or elsewhere in the BIA system to serve them.

Surely, we want to do everything we can to encourage family togetherness. It's motherhood, the flag, and apple pie. But as it relates to the education of so many Indian children, it's pie in the sky. The model for success for those students just isn't there:

a. Drop out rates - up to 50%. My studies show an average of 33%.

b. 75% of the homes on the reservation are unstable.

c. 75% of the homes are below the poverty level, with 50% of the students coming from families with an average annual income of less than one-half the poverty level.

d. 7% of the parents have no formal education at all, and 33% have an eighth grade education or less.

e. 75% of the students on the reservation change schools at least once a year.

f. Unemployment ranging from 40-85%.

g. Alcoholism in the 80%.

h. Disproportionately high levels of child abuse and neglect.

As any behavioral scientist worth h/her salt will tell you, past performances is the best predictor of future performance. If you can show me one solid shred of evidence that the BIA has ever made a documented, data-based, well thought-out, carefully planned, and successful attempt to provide near-home-based educational programs for the types of children served by Intermountian, I'll take comfort in your assurance that "...every student would receive comparable programs at Sherman and Phoenix." I don't give it an ice cube's chance in hell. And believe me, that pessimism gives me no sense of glee.

As I write this letter, I am sitting on the edge of my bunk in the dormitory of a reservation boarding school. It's a large, modern school, compared to the two-room school that I first knew here in 1953. Last night I was surrounded by dozens of eager Navajo children as they helped me recapture some of the language I once knew. This morning they crowded around me as I read them stories before they had to run to class. They had had a good night's sleep, a well-balanced breakfast, they were dressed against the bitter wind sweeping across the snow-covered playground that lay between the dorm and the school. I would love to have taken all 57 of those kiddies home with me, because they need a home. I asked the dorm mother about their homes: 85% unstable, and generally unfit (slightly higher today than in 1978, as indicated by the Lavis Report I cited earlier). The only hope for any semblance of order that the vast majority of these kiddies ever experience is in the dorm. Without the dorms, they would be facing a future even more hopeless than the one now before them.

You said "There are new high schools being built to handle the students."

Not so.

For several years, there has been talk about building other, more cost-efficient, on-reservation high schools: one to be built on the Papago Reservation, west of Tucson; one in Wyoming; and one in Hopiland in northern Arizona. But there's been nothing done with any of them. The one in Hopi is the one that's been on the drawing board the longest--since the early 70's, and not a single brick has been set in place to this date. I do work on Papago, and the building of a school there is a locally held joke.

You said, "Some people thought we were kidding. We weren't kidding. The school will close regardless of the last ditch effort to try to save it."

That statement, of course, is in the same class as that old familiar hack: "My mind is made up. Don't confuse me with the facts."

You said, "Jake Garn, and myself along with Jim Watt and Ken Smith [Director of the BIA] decided that We'd close the school" (emphasis added). That is where the whole problem rests: two politicians and two bureaucrats, whose motives and intentions are arbitrary and without basis, have made the decision, despite the facts:

- 85% of the representatives of feeder tribes want the school kept open.
- The citizens of the state of Utah want the school kept open.
- The people of Brigham City want the school kept open.
- The students of Intermountain Indian School want the school kept open.
- And the BIA's own data speaks to the wisdom of keeping the school open, as supported by this excerpt from the Lavis Report (which also speaks to the quality of BIA decision making):

> Recognition of Education Information: All too frequently in the BIA, decisions have been made which have either ignored or discredited education information regarding off-reservation residential schools. Much of the responsibility for this type of attitude can be placed on educators who have not bothered to systematically gather the information or who have themselves ignored it. However, the situation is changing regarding off-reservation residential schools and there is now a beginning of a collection of valid information describing the educational-social needs of Indian students in off-reservation residential schools. What is needed now is for people to change their attituded toward the past, inaccurate, and incomplete information and review the current information with an open, unprejudiced mind. This one change would be very important to the assessment of the management of the schools. In recent times good information has been ignored and discredited for no apparent reason other than it didn't correlate with and agree with some strongly held views, most of which were rooted in conventional wisdom about off-reservation residential schools (emphasis added). p. 11

I am unaware of any statement that speaks so eloquently in support of my thesis than this one. Read it again and again, Mr. Hansen.

In connection with a study I conducted last year, I interviewed several students at Intermountain Indian school regarding closure. Let me share these few comments made by them:

> "This is home."
>
> One boy with tears in his eyes kept saying, "I don't know what I'll do, my family doesn't want me -- if I could just graduate, maybe I could make it."
>
> Another student, "Why, why are they closing this school when everybody knows it's the best? I don't know why they would do this to us if they knew."
>
> "Here is your family, your people, your culture. It is a great big family of Indian people helping each other. There is a lot of pain involved in taking this away."
>
> And lastly, a boy observed, "It's hard for me to think well of my should country and [illegible] government when it does something like this. W[illegible]ld I want to be a good

citizen, or go in the Army to defend a country that could do this to me."

Can you answer this question?

You are a fine man, Mr. Hansen, and I respect you as my Representative in Congress. I voted for you before and I'll vote for you again. But in this instance, you are wrong. You are dead wrong; a sad mistake that is shared by the entire Utah Congressional delegation. I am very sad; I am very, very sad--yet determined.

In last Sunday's Herald Journal, relative to your joining CLUBB, you are quoted as having said, "Congress has a long tradition of not acting upon the wishes of the people unless pressured to do so." In the name of right, reason, and the wishes and needs of a people who are hurting--who have been hurting for generations--I continue to dedicate myself to exerting upon you and the Congress all the pressure I can to reverse the destructive decision to close Intermountain Intertribal Indian School.

Sincerely,

Glenn Latham

cc: Senator Jake Garn
Senator Orrin Hatch
Senator James McClure

Glenn & Louise Latham
1668 North 1515 East
Logan, UT 84321

Mr. **Alexander**. Do we have Governor Pedro from the Laguna Pueblo?

STATEMENT OF VINCENTI PEDRO, SR., GOVERNOR, PUEBLO OF LAGUNA, NM, ACCOMPANIED BY JERALD D. SMITH, BUSINESS MANAGER; TOM DAILEY, COUNCILMAN; AND RON J. SOLIMON, LEGAL ASSISTANT

Mr. **Pedro**. Good afternoon, Mr. Chairman, ladies and gentlemen.

My name is Vincenti Pedro, Sr. I am the governor of the Pueblo of Laguna of New Mexico.

I am glad to have this opportunity to appear before you to discuss the Bureau of Indian Affairs budget and the concerns that we feel need to be addressed by the Congress with regard to the budget.

The Pueblo of Laguna is attempting to respond to the state of its economy. The uranium production operations were ceased at the Pueblo in the spring of 1982. This caused an unemployment rate of about 85 percent. That unemployment rate has since diminished somewhat, but nevertheless the rate is approximately 75 percent of our local work force.

We have always sought higher education and other training opportunities that have been made available to the Pueblo through the Bureau of Indian Affairs and other programs. However, we have recently been advised of the intended budget cuts in order to cover the costs of mistakes made by the Bureau of Indian Affairs in its efforts to automate their information system.

We are at a very critical point in our overall economic development strategy, and if we find ourselves in a situation where education and training funds are being diminished, this will only set us back even further. Under our present education department, we have obtained Bureau funding for adult education, higher education, employment assistance, and the Johnson O'Malley, and the Head Start Programs. All of these programs, we feel, are of vital importance to the overall progress of our Pueblo.

We have seen a steady decrease in education funding over the past few years, and we would like to encourage your support. It is our understanding that the Albuquerque area office, Education Department, will be affected in the amount of $1.3 million, especially in the adult education, the Johnson O'Malley, and the Head Start Programs.

Mr. Chairman, other areas where the Pueblo has experienced critical shortages in the funding levels are in the areas of law enforcement and tribal courts. Specifically, the actual amount which has been identified for use by the Laguna agency for law enforcement activities is $279,000. However, the actual need is in the range of $576,000 for a year. I cannot emphasize the importance of this type of activity, especially where we have experienced many jurisdictional conflicts or problems with the State and where the U.S. attorney's office, along with the FBI, are reluctant to investigate and prosecute major crimes that occur on Pueblo lands.

Furthermore, in the area of judicial services, we are making substantial progress in the improvement of our tribal courts system. We have complied with many of the requests made by the Bureau of Indian Affairs, Branch of Judicial Services, with regard to program evaluations, but we have not seen the dollars which are necessary to implement the many changes that have been recommended by such organizations as the National Center for State Courts.

At this time, we need $146,000 additional in order to implement certain changes which will include the major revision of the law and order code, as well as the installation of necessary recording equipment for the purpose of providing transcripts for our court of appeals.

Since the passage of the Indian Civil Rights Act of 1968, we have seen an increase in the amount of litigants who are represented by legal counsel. With such increases of legal representation comes the need for more sophisticated systems. I respectfully request your support in these two major areas of concern at the Pueblo of Laguna.

With regard to the Bureau's provision of direct services to the Pueblo through the Laguna agency, we see a great need for additional dollars for our roads/maintenance program. We actually need $210,000 per year in order to maintain the roads that have been funded for construction, for improvement by the Highway Improvement Act of 1982.

As you know, the Federal Highway Administration will scrutinize the maintenance of the roads which are funded under this act. We currently have approximately 400-plus miles of roadway which need to be maintained and a meager budget of only $60,000.

In other areas, we see that the Bureau's budget is either being zeroed out or decreased substantially, and the areas which we have been able to identify as having been targeted for these reductions are the 28 U.S.C. 2415 trespass claims, water development funding, and litigation support in water inventories funding.

We fail to see that the Bureau's job has been completed with regard to the investigation and settling of many of the claims that we have identified on the Pueblo of Laguna. The Pueblo is also involved in two major water suits at this time wherein substantial funding will be required in order for us to litigate both our trespass claim and water quality suit.

In conclusion, let me say that the Pueblo of Laguna is striving very diligently to achieve what the President sets out in his policy statement on Indian affairs. However, we cannot continue to make progress without increases in levels of funding in certain areas. Our past 30 years of participation in the uranium industry have left many of our people with inadequate training for the job of high tech job market which exists in America today.

I thank you very much.

I failed to introduce my staff support. On my left is Mr. Ron Solimon, our legal assistant; my business manager, Jerry Smith; and my councilman, Mr. Tom Dailey.

Thank you.

Mr. Alexander. Thank you.

In the two items of litigation that you mentioned, the water suit and a trespass claim, have you requested attorney fees from the Bureau in this area?

Mr. Solimon. Yes; we have.

Mr. Alexander. And are you getting them?

Mr. Solimon. Not as of this point. We are still in the initial phases of that water trespass suit. Of course, that may evolve into a major stream adjudication. In that case, then our rights are slightly different than under the trespass claim situation.

The water quality suit that we have filed is still in the processes of going through the courts. Probably this year we will see some kind of turn of events there.

Of course, attorney's fees are recoverable under the statute.

Mr. Alexander. Surely.

I understand, then—and one of the prior witnesses mentioned it—that your Pueblo is one of the ones visited by the President's Task Force on Reservation Economic Development. What was it exactly that they got to see there? What great innovative things have we missed hearing about?

Mr. Jerald Smith. Laguna itself has been a participant in the national economy in the area of the uranium industry for the past 30 years.

Mr. Alexander. Right.

Mr. Jerald Smith. In fact, at one time the uranium operation was looked at as being the world's largest uranium mine. Since 1982, the Anaconda Minerals Co. has ceased operations out of Laguna.

Mr. Alexander. Is that a permanent closure of that mine now?

Mr. Jerald Smith. Yes, it is. It has had a major impact on our industrial development activities. There was a plan in process that was implemented during that period of time, but the closure of the uranium mine was brought on with no prior warning and pushed back a lot of of plans and really made the plans obsolete.

Right now, we do have some major activities going on. One is looking into areas of Department of Defense contracting. We have a 42,000-square-foot facility there, and we have a very highly skilled labor force in regard to electronics, also in the areas of construction and the construction industry. We are looking to develop that resource base and promote those types of job situations.

Mr. **Alexander**. Is there any tie-in on the Defense contracting with the Small Business Administration?

Mr. **Jerald Smith**. We are right now in discussions with both the Small Business Administration and also with the Department of Defense. In fact, this week we have meetings with both agencies with regard to that memorandum of agreement or understanding between the two agencies.

We are finding some difficulties in how SBA is going to implement that.

Mr. **Alexander**. That was my next question.

What kind of difficulties? We have a bill called S. 1151 that directs the Small Business Administration to treat tribal businesses as eligible businesses under the Small Business Administration without regard to tribal trust assets and income of individual tribal members, and so on.

Is that the nature of the problems or are they different problems with the SBA now?

Mr. **Jerald Smith**. I really do not know. Again, this is one of the reasons why we want to meet with the people back here in the central office.

One of them is that the communications between the central office and the region and districts in regard to how they implement this program is——

Mr. **Alexander**. This is a little outside of the budget area, but we would be interested to know what problems you are encountering with the Small Business Administration. They have assured us there is no reason for us to cure their problems with a statute since they have corrected them all. If you are continuing to have problems, we would be delighted to bring them forcefully to the Small Business Administration's attention.

Mr. **Jerald Smith**. One of the things that we find in dealing with the Small Business Administration is that there are two criteria that they have established for entry into their program: The 8(a) program, meeting socially disadvantaged eligibility requirements; and the other, the economically disadvantaged criteria.

Mr. **Alexander**. Under the statute that we propose, that would be determined by the unemployment rate and such factors.

Mr. **Jerald Smith**. Also, in setting up our managerial structures for these organizations, we have to show: No. 1, that the tribe meets that economically disadvantaged requirement; and No. 2, that the corporate board of directors, is established for management of the corporation—each member of that board of directors has to be certified as economically disadvantaged, as well as the management team for the operation. So you see the complexity of the red tape that is going to have to be submitted to SBA for implementation of this thing.

Again, we are looking to gain more information this week from SBA in regard to how they are going to look at this process.

Mr. **Alexander**. Does this process involve Raytheon? Is this that deal?

Mr. **Jerald Smith**. It does. We have identified and marketed with the Raytheon Corp. a project that we hope to enter into discussions with the Department of the Army on, but, again, those discussions are very preliminary right now at this point. The Army is having trouble with their end of the project, and we hope to get that cleared up soon.

Mr. **Alexander**. We would like to continue this dialog outside of the hearing context, and whatever correspondence you have had with SBA, and the results of the meetings that you have had while you are in town—we would like to be apprised of those, and see if we can help out.

Thank you for coming. We appreciate your testimony.

Mr. **Pedro**. Thank you.

Mr. **Jerald Smith**. Thank you.

Mr. **Alexander**. Rough Rock Demonstration School, Rough Rock, AZ, Jimmy Begay.

Gentleman, introduce yourselves and proceed as you will.

STATEMENT OF JIMMY C. BEGAY, EXECUTIVE DIRECTOR, ROUGH ROCK DEMONSTRATION SCHOOL, CHINLE, AZ, ACCOMPANIED BY EMMETT BIA, SCHOOL BOARD PRESIDENT

Mr. **Begay**. Good afternoon.

My name is Jimmy C. Begay. To my left is Emmett Bia, school board president at our school. We are here representing Rough Rock Demonstration School, which is located on the Navajo Reservation in Arizona.

Our school was the first Indian school in the United States, back in 1966, taken away from the Bureau of Indian Affairs control and started the self-determination process at that time. From there, we have a number of schools and other self-determination programs, 638 programs, that have started.

First of all, I would like to thank the chairperson of the committee here for our being here to discuss some concerns and issues.

One of the things I would like to discuss at this time, which you have also on your handouts, is the indirect cost or the overhead administrative costs for contract schools. One of the problems we have been having with the Bureau of Indian Affairs is the unresolved issue on this indirect cost the last 8 to 9 years, ever since they started the indirect-cost-rate-method funding to schools. Presently, these issues are still unresolved.

Currently, the Bureau of Indian Affairs is saying they would like to grandfather in the current rates that schools have and tied with the base program. This will be good if there is adequate funding for resources. We have been getting 75-percent level funding, last year's funding level, until all the appropriations money has been gone through.

Last year, in fiscal year 1983, we received only 97-percent funding level to the schools in the Navajo area, while in other areas across the country, they have received 100-percent funding level.

If there is a contract between the school and the Bureau of Indian Affairs, and you set your goals and objectives within a contract for the given year, in administration as well as in education programs, and if those goals and objectives are not met because of lack of funding, late funding to schools, then we are criticized or put on critique because we did not meet these goals and objectives within a given year.

Also tying in with the indirect cost issue is late funding to schools under the ISEP formula. We are strongly recommending that another method of funding be brought to Indian schools. One is the forward funding. We are recommending this method of funding. If it is done, then that year we will have a double funding, and from there, there will be an advanced funding year to year.

This method of funding, forward funding, will ease a lot of funding to schools. That way we would receive funding at the beginning of October of each year, and then we will have the programs in operation 12 months a year, instead of late funding, like this year, we have not received any funding for our school. Therefore, we have not given any raises to the teachers. We have not bought textbooks or any type of thing. We have just been running on salaries. This is hard on schools and also on staff.

We are simply requesting that somehow a forward funding mechanism be instituted to contract schools as well as other federally funded Indian schools.

The next area that I would like to touch base on is the Public Law 95-561. Within the formula, the student-weighted factor, ever since it was begun, has been inadequate within the set student factor units. One of the things that we run into problems with is transportation. On the reservation we run daily buses for students, and we average close to 800 miles a day. A high percentage of these roads are unpaved. With adverse weather conditions, we run into road problems, muddy roads, a lot of wear and tear on the buses, and maintaining these buses takes a lot of money; also, with gasoline and other mechanical problems that we have with buses.

Under these transportation units, we only receive $70,000, while in actual spending we used over $200,000 for bus drivers, parts, gasoline. So we really had to curtail services in this area.

There is no money set aside for food. We spend close to $200,000 for food alone for the students.

We do not have moneys for counseling programs, tying in with the dormitory operations that we have.

There are areas in the Public Law 95-561 formula that we really think needs to be revised to include some of these areas.

Another one is that we have a good program under the vocational education program, but under the ISEP formula it does not allow a line item for vocational-education programs.

Probably recently you have heard that the Bureau of Indian Affairs will be allowed to hold back some funds under ISEP for reprogramming for their own administrative purposes. With this we strongly disagree, because all of the moneys that were set aside by Congress to educate students—and that is one of the reasons that we are here today, is that we oppose it strongly, and all the moneys go to the students.

We barely meet ends with a lot of conditions—that is, remote areas, road conditions, even salary increases for teachers and staff.

The $2,035 as originally planned per student would really help.

If the committee here would suggest to the Bureau of Indian Affairs that they cannot reprogram the ISEP moneys, we would recommend that.

Next we have the maintenance and facilities improvement and repair programs. I believe in fiscal year 1982 the Senate Select Committee, the House Appropriations and Senate Appropriations Committees, allocated those funds for facilities improvement and repair programs on reservations. As of today, we were told by the Bureau of Indian Affairs that the operation and maintenance programs out of Albuquerque are not slated to start these repair programs until 1986. This is fiscal year 1982 moneys, and we are waiting at least 2 more years before they get to us.

The dormitories and some of the buildings are in real need of repairs at our school. We have roofs leaking, ceiling leaks. One set of buildings is settling down. We have a major problem at our school. We have been trying to get to them and put it on the priority list, but we just received a letter saying that until 1986 we are not slated for these repairs.

Also, the next issue is one I know your committee is involved with, the title IV programs, title VII, and we strongly support that these programs be continued for reauthorization. We strongly believe, also, that these supplemental programs have done some good out in the field, especially in the area of the culture and the language of the Navajo people.

We have written materials for these kids, and we will continue to do so.

What we are saying is we support it, and I believe your committee will also support it, to continue these programs.

Earlier I mentioned the vocational education program. Your committee is involved with the 1-percent setaside for Indian programs under vocational education. The Bureau of Indian Affairs has not matched the 1-percent setaside. We strongly urge this committee to tell BIA that they should come up with a 1-percent setaside and match it. Therefore, we would have adequate moneys for the vocational education programs.

Back in 1978, the committees were very instrumental in allocating these funds to help us build nice vocational education facilities. We have one of the best equipped buildings on the reservation for secondary level, and we wish that these programs will be continued.

Today we have over 69 percent of our student body at the school taking these courses. These courses are in trades: Automotive, welding, drafting, and various business courses. So we surely urge that you support us in this endeavor.

The other area is the prekindergarten funds. I also would like to thank this committee for its interest and support in last year's prekindergarten programs at our school, which was instrumental in getting funding for these prekindergartens. They are 3- to 5-year-olds. Presently, we have 70 of them. In a few years' time we will be reaching 85 to 90 students. Again, we really believe in early starting for these youngsters. As they progress through academic levels, we have seen that their attitudes and motivation toward school are positive, and also their learning, at an early level, is geared to the schools.

We were told by the Bureau of Indian Affairs that this will be the last year that funds will be available for the prekindergarten. I think the Bureau of Indian Affairs needs to support this level of teaching and training for these youngsters.

I have been checking some dollar amounts with the Bureau of Indian Affairs. If the Bureau of Indian Affairs is going to fund the prekindergarten level, they will drastically cut the amount of moneys going to the schools, at least by 70 percent, as I understand it. So either way, even if it goes to the Bureau of Indian Affairs to fund these, I think there needs to be adequate funding going to the social services or put it back to the Bureau for prekindergarten funding.

Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF JIMMIE C. BEGAY, EXECUTIVE DIRECTOR, ROUGH ROCK DEMONSTRATION SCHOOL, CHINLE, ARIZONA 86503

My name is Jimmie C. Begay and I am representing Rough Rock Demonstration School which is situated on the Navajo Indian Reservation in Rough Rock, Arizona.

Mr. Chairman and members of the Subcommittee; I appreciate the opportunity to describe the concerns pertaining to the needs of our school, which presently is operating under the aegis of Public Law 93-638.

Rough Rock Demonstration School was the first contract school, starting in 1966 when education was failing Indian students. At that time, people started to look for alternative education and Indian educators felt that one of the best possible methods was to introduce bilingual and bicultural programs into regular academic settings, bringing home the environment into the classroom so that students would feel at ease, learning both side of culture. Since we were the forerunner of Indian Education with community involvment, there have been hundreds of P.L. 93-638 programs springing up all around the country. We can say that our dream did not falter by the wayside, but again looking from another perspective, we did not foresee that Indian Self-Determination was going to be impacted by endless red tape -- guidelines, regulations and policies which appear to negatively affect the spirit and intent, not to mention the ability to implement and administer the program of P.L. 93-638 educational operations for Indian youth. I guess to be under the jurisdiction of the Bureau of Indian Affairs and trying to be self-determined, one has to be strongly impacted by federal guidelines. However, instead of simple regulations, we have to contend with a continual, lack of responsiveness and continuity at all levels of the

Bureau of Indian Affairs which expend our critical effort and dollars simply trying to determine what guidelines are currently in force and how we can maintain inegrity of program and administrative accountability in the field when said guidelines do not reflect our realistic needs or situation in the field.

At this time, I would like to address our current concerns which we feel will drastically affect Indian Education.

INDIRECT COST:

The American Indian Law Center currently proposed a 15.5% rate however it appears the Bureau of Indian Affairs is hanging up with a current impetuous to 'grandfather' the current rate of each contract school into a base program. If this proposal is implemented, both the administration and school program will suffer severe cutbacks which cannot be absorbed without drastic consequences to ongoing goals and objectives of the individual contract schools. Under P.L. 93-638, one of the purposes is to foster the development of sound program and administration which is responsive to the specific goals, objectives, and philosophies of the individual contract school. Obviously, not all administrative costs can be expected to be the same -- the salient factors surrounding each program are unique and demand specific responses. The issue of how Indirect (administrative) cost will be developed has never been resolved since 1975 with a result of great detriment to all contract schools. As of this date, Rough Rock Demonstration School has not yet negotiated any indirect cost for fiscal year 1984 even though said year began on October 1, 1983. No organization can meet program objective and goals of their contract laboring under such a unwieldy process. The current response to the matter of Indirect Cost simply does not augment a realistic approach to program or administrative accountability.

FORWARD FUNDING:

The Contract Schools never receive fiscal year monies until in February or March of the calendar year following the October of the previous calendar year which marks the beginning of the fiscal year. Neither has the federal government approved the budget nor has the amount of the per capita student allottment been determined. These factors render the contract school's budgeting process a farce with drastic negative impact on the appropriate utilization of funds for children as mandated under the contract. Forward funding would allow the contract school to receive their monies in advance of the beginning of the program year and subsequently to plan and implement program with the acountability which is the desire of both the Congress and the Contract School. This problem has been in existence since the implementation of P.L. 95-561 and we feel becomes more imperative that it be resolved each year.

REVISION OF P.L. 95-561:

We support the revision of the Weighed Student Factor to a more realistic and flexible one. At this time, we receive only 20¢ per mile for transportation regardless of the fact that the majority of our roads are unimproved dirt roads; regardless of the increase of costly petroleum products; and other necessary resources. In our isolated area, with the adherant conditions, 20¢ per mile is a joke -- a sorry joke on our children and programs. We receive no monies for food, counseling programs, dormitory budgets are short-cut and there is no matching monies provided for the operation of the contractually mandated vocational educational program. Said program is supposedly allotted 1% set aside monies from the Bureau of Indian Affairs. To this date, no such funds have been made available. The time is overdue if this valuable and relevant educational component is to be continued for our children. With other federal funding sources less and less available to us for this program, we become more and more concerned that the Bureau meet its obligation in this respect.

OPPOSED TO BUREAU REPROGRAMMING OF ISEP FUNDS:

We have found out that approximately 3.5 million dollars of critical ISEP funds especially allocated by Congress for the education of students, is currently being targeted for reprogramming by the Bureau to meet its own administrative goals. We strongly object and request that this critical resource be funneled back into the education of children as originally mandated by Congress and as is desperately needed by program. The Bureau of Indian Affairs has a need to look to its own house to find the reason for continued administrative deficits rather than to appropriate critical ISEP funds to make up for problems generic to their own bureaucracy.

SUPPORT FOR UPDATING AND TIMELY IMPLEMENTATION OF OPERATION AND MAINTENANCE PROGRAMS:

At this time, the operations and maintenance program is seriously lagging. Our facilities are in despair. Our school is currently in need of one million dollars to meet the needs of updating our facilities as previously evaluated and targeted by the Bureau of Indian Affairs in 1981. This is critical for us to meet the standards necessary to become certified by the North Central Accreditation Association. We can meet program objectives only if our facilities are up to code and support our program as contractually mandated.

SUPPORT CRITICAL TITLE IV, VII PROGRAMS:

Our school and school board represent the ongoing goals and philosophy of our traditional community in maintaining the necessity and efficacy of the language and culture programs for Indian youth. Our Materials Development Program has produced and continues to produce critical curriculum supplemental materials which heretofore has been unavailable to our youth. Our teacher training program has produced 90% of our elementary school teachers and is a valuable program for increasing the competency of our Navajo teachers. We support the ongoing need for bilingual education -- from PreSchool through the 12th grade. We know what advantages appear in the test results of our children who come to us monolingual in a language not of the dominant society and having to accomodate themselves to the dominant language. These critical entitlement programs for the support of teacher training, materials development, bicultural and bilingual education must be maintained. The reality of the current differences between our language and culture and that of the dominant society demand that we meet the needs of our youth with compassion and an understanding of how such programs speak to their needs to become educated, functional, integrated citizens with a positive self-concept and an ability to identify and participate in the choices available to such citizens. We strongly support that Title VII Indian Education Program be supported and reauthorized for continued operation.

VOCATIONAL EDUCATION PROGRAM:

We have been operating Vocational Education Program for our younsters for the past four years and students are highly interested in these selected courses. Over 69% of the secondary student body are taking various Vocational Education courses. A special thanks to the House and Senate Appropriation Committees, the Senate Select Committee on Indian Affairs for their support in funding add-on dollars to help build a nice Vocational Education facilities, Gymnasium, and a Library complex. The Vocational Education building is one of the best equipped facilities on the Navajo Indian Reservation. Currently we are operating 100% level with these courses: Building Trades, Automotive, Welding, Drafting, and various Business Courses. As I mentioned, there is a high interest by students in taking those courses. Without monies, these courses can no longer be continued thus curtailing the services. During the last three years, the program has been operating on supplemental monies and said monies have run out through Fiscal Year 1983 and have been unable to find other sources to continue the program.

The Committees have been setting aside 1% for program operation and the Bureau of Indian Affairs is supposed to match the 1% set aside and they have at the secretarial level reviewed the matching. We would like to request through your committee to urge the BIA to match your amount set aside to adequately fund these Indian programs. The Indian School Equalization

Program formula does not address categorically line item for Vocational Education Programs and even set amount of money were to be programed, other areas of student services have to be curtailed.

We strongly urge through your Committee to support that adequate funding be provided for Vocational Education Programs.

PRE-KINDERGARTEN:

Again, through your Committee's interest in Indian Education, we have been able to receive funds to operate a pre-kindergarten program at the local level. Rough Rock Demonstration School has had a pre-kindergarten program since 1966 and having students start early has made academic difference in the latter years. We have seen a more positive attitude and motivational approach to school learning. The academic achievements show progression and they seem to be more result oriented. Once again, we are uring support, even though the last funding period is Fiscal Year 1984, that pre-kindgarten monies be funded again for Fiscal Year 1985 or adequate funding be allotted to the Bureau so schools like ours can get program funding under social services.

Currently, we have seventy youngsters in the 3 - 5 year olds in the early childhood program and within a two year period, projection we will enroll around eighty-five students. The enrollment at this level has been a steady growth and this demands of us to provide a quality program.

We urge Appropriation Committees to support the youngsters to have an early start in education by funding them adequately.

I thank you for this opportunity to address these critical issues. I appeal to your judgement and compassion to assist us in our efforts to develop a competent institution which will be responsive to the needs of our Indian youth and to the needs of the dominant society as well. In order to fulfill the goals and philosophies of the contract school, we must have regulations and policies which are mutually supportive and allow us to be accountable.

Mr. **Alexander**. On prekindergarten, the Bureau's budget justification says that their programs can be picked up by Head Start and so on and, therefore, they do not need to fund them. Is it your understanding that your program could be picked up by Head Start and provide the same level of services?

Mr. **Begay**. No.

Mr. **Alexander**. You have one of the oldest prekindergarten programs. I gather it dates from 1966. What has been your experience as to what that program provides and what difference it makes, if any, in the future education of these children?

Mr. **Begay**. We have found out that the interest in school, the attitudes, and also the motivation toward school has a high impact on it. There is a positive feeling. There are reports from teachers that the interest and also the reading level is higher later on through the years. We have tracked that system, and the dropout rate throughout the school years is lower.

Mr. **Alexander**. Do you have any hard statistics from your prekindergarten program that we could have for the record?

Mr. **Begay**. Yes.

Mr. **Alexander**. It is a rather important issue in this. It is a small budget item, but a critical issue.

Do you wish to add anything?

Mr. **Bia**. Yes. All I could say is that I would like to thank the committee.

Also, what is stated by Mr. Begay is true. As the president of that school, we like to educate our youngsters from prekindergarten all the way up to 12th grade. Our needs are great, but we accomplish little.

That is why I would like to ask each one of you to consider our requests for funding.

Thank you.

Mr. **Alexander**. Thank you.

I appreciate you both being here.

I was once at your school but it has been a long time. If I get the chance, I certainly will come back.

Mr. **Begay**. You are welcome back.

Mr. **Alexander**. Thank you for coming today.

Our next witness on the list is Sue Williams, who is the legal counsel for the Association on Indian Affairs, who is appearing on behalf of the Southwest Indian Youth Development Association.

STATEMENT OF SUSAN M. WILLIAMS, COUNSEL, ASSOCIATION OF AMERICAN INDIAN AFFAIRS, ON BEHALF OF THE SOUTHWEST INDIAN YOUTH DEVELOPMENT ASSOCIATION

Ms. **Williams**. Thank you, Mr. Taylor, Mr. Alexander, and members of the Senate Select Committee.

I will not take a lot of your time.

Mr. **Alexander**. We will take your full statement for the record.

Ms. **Williams**. Great!

I will very briefly summarize for you in a matter of a couple minutes what is here in the record.

The proposed Continental Divide High School is a proposed contract under the Indian Self-Determination Education Assistance

Act. It has been pending over at the Bureau for 2 years now. The Bureau has taken the position that it is a good contract for which no declination issues have been identified throughout the system. But the BIA maintains there is no money to fund the contract for this new school to start.

Recently, however, the Bureau has offered the Navajo Nation $150,000 to be used however the nation so desires in regard to preparation of the site for student occupation. The nation has decided to spend most of it for architectural and engineering studies for this particular site. The Bureau has done its own independent consulting work, which said for $833,000-or-so you can renovate this facility for this program, and it ought to be done to preserve the investment. In view of the study the BIA offered the $150,000 to be used, as I said, for architectural engineering, and, in addition, if the nation so desires, to look at additional sites on the Navajo reservation, this one being just adjacent to the reservation, for possible similar programs.

Now, as you might be aware, this high school arose from the concerns of younger Navajos who noted that 3,600 of their high school age students out of 12,000 are presently not served by any education program, and thus are not counted in the ISEP Indian school equalization formula. It was out of this concern that these students got together and said there needs to be a program which addresses the really very troubled students. There are some seriously troubled and some less so troubled of that 3,600. The students said: "Let us put together a program that pulls these kids out of the court systems, pulls them off welfare dependency. Let us start small and with the most troubled."

They modeled the program after the Navajo clan system to replicate family structures and stability, which they feel has not existed in most of their lives previously.

We were up here before the Appropriations Committees last year, and we are up here again this year. We have testified on the House side earlier this morning asking for $2.8 million, which includes what we consider to be the very high Bureau of Indian Affairs estimate for renovation for the Continental Divide High School facility.

We are pressing forward with the Appropriations Committees. We now see an opening of some doors over at the Bureau, but felt, nonetheless, that we ought to bring this to your attention, should there be anything that your committee could do from the standpoint of providing additional support to the Navajo Nation and the applicant here in its pursuit of this 638 contract.

I would be happy to answer any questions that may come to mind. Otherwise, thank you for your time.

Ms. BOYLAN. Good luck.

Ms. WILLIAMS. Thanks

Mr. ALEXANDER. Thank you for coming. We will see what we can do.

[The prepared statement follows:]

PREPARED

STATEMENT OF SUSAN M. WILLIAMS, COUNSEL, ASSOCIATION ON AMERICAN INDIAN AFFAIRS, ON BEHALF OF THE SOUTHWEST INDIAN YOUTH DEVELOPMENT ASSOCIATION BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS, UNITED STATES SENATE, REGARDING FUNDS FOR CONTINENTIAL DIVIDE HIGH SCHOOL,

February 21, 1984

Mr. Chairman and members of the Interior Subcommittee, on behalf of Southwest Indian Youth Development Association (SIYDA), I wish to thank you for the opportunity to present this statement which is submitted in support of a request, joined by the Navajo Nation, for $2.8 million in the Fiscal Year 1984 Department of Interior Supplemental Appropriation to fund a contract under the Indian Self Determination and Education Assistance Act, P.L. 93-638 ('638), for the proposed Continental Divide High School. This proposed contract to operate a pilot high school in Northern New Mexico adjacent to the Navajo reservation for troubled Navajo youth was conceived, designed and pursued by Navajo youth themselves. These youth, many of whom came from difficult domestic settings, and all of whom have experienced the tragedy of seeing troubled friends and relatives further and further alienated and eventually removed from existing education programs, were additionally motivated by their discovery that 3,600 Navajo youth of high school age of an estimated total of approximately 12,000 are not in school anywhere and thus are not counted in the Indian School Equalization Formula. As a consequence, together, and based on their own experiences, they decided to seek a contract under '638 for a pilot high school program especially suited for some of the more troubled of the 3,600 youth out of school. They selected the site at

Continental Divide since it uniquely offers the combination of existing vocational education facilities, access to wilderness areas which are a vital part of the program, and distance from population centers which can present distracting influences.

The responses to their proposal were favorable and strong. Six hundred referrals from only one of the five Navajo agencies were received early in the project's history. The Navajo Nation, both the previous and current administrations, has been enthusiastically supportive.

The focus on the more troubled youth was felt appropriate as these students often are the more serious burdens on their communities through conflicts with the law and through perpetual reliance on welfare. Moreover, a pilot project proven successful with the more troubled youth was felt to be more easily adaptable for use with respect to less troubled youth who also are not in school. To ensure success with these students, and an effective start toward addressing the problems of the 3,600 youth, the applicant has very carefully designed the program (which is based on a teaching and counseling structure modeled upon the Navajo clan system, and which consists of small group dynamics and a low student/teacher ratio), has limited attendance to 150 in the first year (rising to over three hundred by the third year, with the addition of modular dormitories) and needs sufficient funding for start-up of the high school.

With regard to funding, as you may well know, this '638 application has been pending before the BIA for two years. In that time, not one '638 contract declination issue was identified. Rather, until recently, the BIA consistently has expressed support for the school, but has declined to contract due solely to a lack of funds. The applicant views this position and the failure to request the necessary funds from Congress as inconsistent with '638 and the Indian Education Act of 1972.

Quite recently, however, and in response to repeated Navajo Nation expressions of support and requests for BIA approval and funding for the high school, the BIA agreed to make available to the Navajo Nation $150,000. These funds, to be allocated however the Nation wishes, are for architectural and engineering planning with respect to the Continental Divide site and/or for study of other sites on the reservation which potentially would be appropriate for similar programs. The Navajo Nation has indicated that it intends to devote most of the grant toward preparation of the Continental Divide site.

Thus, the BIA expressions of support for the school have ripened to financial support which is designed to lead to contract approval when sufficient funds are obtained. The BIA, however, has not requested funds for the school from the Congress in the FY 84 Supplemental Appropriation or FY 85 Budget. Accordingly, SIYDA urges that the Congress provide the necessary funding now for this long-awaited and much-needed school. Further delay with regard to funding means more students will grow older and thus become ineligible for what may be their only chance for a successful and happy life.

The requested $2.8 million is broken down by line item in the attached budget. The amount requested includes funds in the amount of $848,000 which is the BIA consultant's estimate of the cost to renovate the Continental Divide site under life-safety standards. The Navajo Nation and SIYDA urge that this request is quite reasonable for a fully operational vocational high school for troubled youth. In conclusion, on behalf of SIYDA, I am grateful for any support your Committee can extend to this vital project and I appreciate your time this morning.

May 1 - September 30

CONTINENTAL DIVIDE HIGH SCHOOL
FY 84 Start-up and Renovation

Prepared: 1-28-84

DESCRIPTION	BUDGET
Employee Services	141,326.00
Fringe Benefits @ 18%	25,439.00
Independent Education Service Contractors	349,975.00
Transportation of Things	
Personnel Travel	8,000.00
Student Travel	
Contract Services	28,800.00
Training	4,000.00
Rentals/Leases	510,294.00
Communications & Advertizing	15,000.00
Utilities	61,161.00
Printing	
Supplies and Materials	580,000.00
Equipment	250,000.00
Publications	2,000.00
Insurance	17,500.00
Board Expenses	20,000.00
Renovation of Existing Buildings	860,021.51
TOTAL ALLOCATED	2,873,516.51

Percentage -		
	Non-Personnel	82%
	Personnel	18%
	Administrative Overhead	08%

This budget allows staff to be on board for training, program development and preparation beginning June 4, 1984.

It allows renovation according to the NIKA report to the Bureau.

It allows student screening and selection.

It provides a full supply base for program operation at an appropriate level of initial supply thus allowing subsequent years funding to be used for program development and replacement of supply.

This budget allows provision of modular dormitories to provide for the full 150 students.

This budget provides for full personnel needs with optimum training and preparation time.

CUTS IN THIS BUDGET ARE REFLECTED IN NON-PERSONNEL AREAS REDUCING MARGIN FOR DELAYED PURCHASE AND THUS PROVISION OF CARRYOVER FOR OPERATIONS UNTIL FY 85 APPROPRIATION IS RELEASED.

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May 1 - September 30 CONTINENTAL DIVIDE HIGH SCHOOL
FY 84 Start-up and Renovation
Prepared: 1-28-84

DESCRIPTION	BUDGET		
Employee Services	161,326.00	Percentage - Non-Personnel	
Fringe Benefits @ 18%	25,439.00	Personnel	18
Independent Education Service Contractors	349,975.00	Administrative Overhead	0
Transportation of Things			
Personnel Travel	8,000.00		
Student Travel			
Contract Services	28,800.00		
Training	4,000.00		
Rentals/Leases	510,294.00		
Communications & Advertizing	15,000.00		
Utilities	61,161.00		
Printing			
Supplies and Materials	580,000.00		
Equipment	250,000.00		
Publications	2,000.00		
Insurance	17,500.00		
Board Expenses	20,000.00		
Renovation of Existing Buildings	848,021.51		
TOTAL ALLOCATED	2,873,516.51		

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150 Students

CONTINENTAL DIVIDE HIGH SCHOOL

FY-84 Start-up and Renovation

No. of pay periods	DESCRIPTION	BUDGET	COST PER STUDENT
11	Headmaster	10,077.00	
9.5	Administrative Officer	10,232.00	
9.5	Dean of Students	10,232.00	
9.5	Dean of Instruction	10,232.00	
9.5	Dean of Activities	10,232.00	
9.5	Administrative Assistant (Program Development)	10,232.00	
8.5	Education Specialist (Evaluation & Testing)	9,155.00	
8.5	Education Specialist (Special Education)	9,155.00	
9.5	Accountant	9,866.00	
9.5	Clerk (Personnel & Contracts)	6,212.00	
9.5	Clerk (Property and Procure.)	6,212.00	
9.5	Clerk (Registrar & Program)	6,212.00	
9.5	Executive Secretary	8,039.00	
8.5	Police/Security	6,944.00	
8.5	Police/Security	6,147.00	
8.5	Police/Security	6,147.00	
	EMPLOYEE SUB TOTAL	141,326.00	
	18% Fringe Benefits	25,439.00	
	TOTAL EMPLOYEE COSTS	166,765.00	

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No. of Reimb. Periods	DESCRIPTION	BUDGET	COST PER STUDENT
	INDEPENDENT EDUCATION SERVICE CONTRACTORS		
8.5	Vocational Agriculture	9,645.00	
8.5	Social Science	9,645.00	
8.5	Language Arts	9,645.00	
8.5	Math	9,645.00	
8.5	Science	9,645.00	
8.5	Navajo Language & History	9,645.00	
13	Facility Operations	14,750.00	
8.5	Building & Construction	9,645.00	
8.5	Commercial Foods	9,645.00	
8.5	Outdoor Education	9,645.00	
8.5	Home Economics	9,645.00	
8.5	Commercial E[illegible]	9,645.00	
8.5	Computer Technology	9,645.00	
8.5	Physical Development	9,645.00	
8.5	Program Specialist II	6,944.00	
8.5	Program Specialist II	6,944.00	
8.5	Program Specialist II	6,944.00	
8.5	Program Specialist II	6,944.00	
13	Program Specialist I	9,400.00	
8.5	Program Specialist I	6,146.00	
8.5	Program Specialist I	6,146.00	
8.5	Program Specialist I	6,146.00	
8.5	Program Specialist I	6,146.00	
8.5	Program Specialist I	6,146.00	
8.5	Program Specialist I	6,146.00	
8.5	Cook II	8,173.00	
8.5	Cook I	6,944.00	
8.5	Cook I	6,944.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
	Summer Youth Aide	1,699.00	
13	Social Worker	14,750.00	
13	Social Worker Liason	9,400.00	
13	Psychologist	16,515.00	
13	Program Specialist (Cultural Counseling)	16,515.00	
8.5	Program Specialist (Quest)	9,645.00	
13	Facility Service Worker	10,620.00	
	SERVICE CONTRACT TOTAL	349,975.00	

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DESCRIPTION	BUDGET	COST PER STUDENT
NON-PERSONNEL		
Staff Training	4,000.00	26.00
Library Books and Media	50,000.00	333.00
Textbooks and Instructional Supplies	50,000.00	333.00
Vocational Supplies	200,000.00	1,333.00
Arts and Crafts	5,000.00	33.00
Outdoor Education	30,000.00	200.00
Recreation	15,000.00	100.00
Dormitory Supplies	60,000.00	400.00
Student Participation Fees	1,200.00	8.00
Travel (Staff)	3,000.00	20.00
Per Diem (Staff)	5,000.00	33.00
Vehicles (Lease)	24,000.00	160.00
Food	30,000.00	200.00
Food Service Supplies	5,000.00	33.00
Printing and Supplies	5,000.00	33.00
Publications		
Advertizing	5,000.00	33.00
Electricity	25,080.50	167.00
Fuel	36,080.50	240.00
Facility Supplies and Materials	42,000.00	280.00
Communications and Phone	10,000.00	66.00
Office Supplies	6,000.00	40.00
Postage	2,000.00	13.00
Reproduction Machine Lease	7,200.00	48.00
Furnishings	24,000.00	160.00
Consultants	6,800.00	45.00
Insurance	17,500.00	116.00
Legal Fees	18,000.00	120.00
Board Expenses	20,000.00	133.00
Testing Materials and Activities	6,000.00	40.00
Vehicle Fuel	1,000.00	6.00
Equipment	250,000.00	1,666.00
Contract Services	4,000.00	26.00
Specialized Student Clothing	36,000.00	240.00
Renovation of Existing Buildings	848,021.51	5,653.00
Lease/Rental (Buildings)	489,094.00	3,260.00
TOTAL NON-PERSONNEL COSTS	2,356,776.51	
TOTAL PERSONNEL COSTS	516,740.00	
TOTAL NON-PERSONNEL COSTS	2,356,776.51	
TOTAL BUDGET ALLOCATION (Start-up & Renovation)	2,873,516.51	
Percentage - Non-Personnel	82%	
Personnel	18%	
Administrative Overhead	08%	

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Mr. **Alexander**. Bennie Cohoe of the Ramah Navajo School Board.

STATEMENT OF BENNIE COHOE, EXECUTIVE DIRECTOR, RAMAH NAVAJO SCHOOL BOARD, INC., RAMAH, NM

Mr. **Cohoe**. Good afternoon.

I would like to thank you, the committee staff, for allowing me to testify this afternoon, because I did not get a confirmation to appear before for the oversight hearing. Anyway, I want to thank you for allowing me to testify this afternoon.

I also had a board member with me, but he is out for another appointment this afternoon, so, I will testify.

I have a written statement, and I would like to ask that be made part of the record.

Mr. **Alexander**. It will be.

Mr. **Cohoe**. Later on I will also provide you additional data to also be made part of the record.

Mr. **Alexander**. Fine. The record is open for 10 days.

Mr. **Cohoe**. Thank you.

I would like to express my concern in three areas for Ramah Navajo School Board and Pine Hill School.

No. 1, we are concerned about facility construction. We are concerned because we are still trying to seek funding for completion of the Pine Hill School facility. Up to now we have only 60 percent of our facility completed. Since 1970 we have been back and forth to Washington. To some success, we were able to get 60 percent of our construction completed. But then, again, in the late seventies our construction was halted because the Bureau was asked to freeze the construction, and Congress requested a criteria or a priority system. When it was implemented, Ramah Navajo School Board just fell right between the cracks of the guidelines that were developed.

The one thing that happens is that because we have 60 percent of our facility completed, we could not get any of our students to be 100 percent unhoused. On the other hand, we still have middle school kids who did not have a facility.

The other thing that happened at that point is that we were successful in trying to get our school to be in the other category of where it was. It should have been completed, but then, again, it never happened.

What we are aware of is that since the freeze we were asked to get into priority ranking. When we went that way, we submitted our applications and we never ranked higher than No. 9 in the rank and priority, because of the 60-percent completion.

Finally, we were put into another group, which was called the facilities improvement and repair. Another problem came up. They asked us, is this a tribal facility or is it not a tribal facility? So we have to go back to the original appropriation language where the late Senator Joe Montoya said, "OK, it will be a Federal facility and it will be maintained by the Bureau of Indian Affairs." So that cleared that.

But then they said, "Well, you are not on a Federal inventory." It took us 2 years. We requested that, and then we finally got it.

We are finally on the inventory, but then, again, now they are saying, "Well, we have not found time to put you on the computer system yet." So it has been going on and on.

We have not been funded for completion since 1978. Up to now, since we appealed one way or another, since we even had some of our former commissioners, which happens to be Commissioner Howard—he said that there was an oversight. So he requested a new survey.

Then from there, since we were not within the jurisdiction, that gave us an additional hard time. We went back and forth to get additional money.

But then, again, I think that we are still appealing to Washington to assist us and also support our effort in trying to get our facilities completed. At the present time we are asking for your favorable consideration in supporting the appropriation of at least $5,466,215 to complete the three critical facilities that are still needed on the Pine Hill campus, which happens to be a cafeteria, costing approximately $1.7 million; also a middle school, costing $906,000; and also, up to now, we do not have any staff housing. So we are asking for $2.8 million for staff housing, which would build 40 units.

We have double checked with the BIA's Schools Facilities Office in Albuquerque. Those are some of the figures that they made available to us.

We would like to seek support to see if we can get additional money in there, and we would like to request the committee to direct the Department of the Interior and the Bureau to review the construction needed at Pine Hill School campus, and also to include in its annual budget such funds that are necessary to complete the school master plan. That school master plan was originally funded by the Bureau, and the Bureau has approved that master plan. At this point it might need some modification to comply with the latest guidelines on health and safety factors. That master plan still needs to be completed.

Also, we are asking the committee's support to direct the Department of the Interior, in addition to the construction, to place the Ramah Navajo School Board on the FI&R backlog listing for fiscal year 1985, with adequate funding to implement the funding of Interior's recent comprehensive inventory study of our facilities.

We are also seeking the committee's support in directing the BIA to provide an explanation as to why the new school construction ranking was applied to Pine Hill School; why the original scope of the project was not completed; and to take immediate steps to correct the situation.

No. 2, our concern is facilities operation and maintenance. At the present time we are having problems of not having enough funds given to our school to maintain our facilities. As far as we know, the Bureau has indicated to us they only have 35,000 to 65,000 square foot of facility on their inventory, and that is how they allocate their moneys. In reality, when the inventory was completed by Interior, a contract with a firm out of Minneapolis, MN, the total square footage hit 200,000 square feet. There was a difference of that. Right now we are only getting $597,000 per year, and it is inadequate.

Also about that, we have been cut in our O&M budget for the last 4 years. Up to now we had lost about 50 percent of our staff. We hate to see the facilities go unmanaged, and also we cannot keep up with the maintenance and repairs since we do not qualify for the FI&R moneys. It is hard for us to maintain these facilities.

We are asking for the following recommendations: That the committees support significant increase in appropriation for the facility operation and maintenance for Ramah Navajo School Board; to commemorate the square footage defined in recent Interior Department inventory study for the Pine Hill campus; and in line with the realistic operations and maintenance costs.

No. 2, that the committee direct the Department of the Interior to insure the O&M funding for the Pine Hill Health Center, either directly or through arrangement with the Indian Health Service.

We have been operating that clinic for 7 years. We have gotten zero O&M dollars from Indian Health Service, saying that it is not an Indian Health Service facility. They are telling us that it is a BIA facility. So we are going around and around in that area as well.

Last, our third concern is that we would like to inform you as to what it is like out there as far as our school operations are concerned. We have been here before. We have made known what the Indian student equalization program has done to our funding in our area. Right now the BIA is determining that the funding level for school and then distributing annual allocation to the school program, which does not provide for the isolated, rural setting of some of our locations where we have to operate our school.

We are under very tight budget constraints. I think that as the year goes on, the form letter is revised, and instead of increasing the dollars to meet the needs, they are decreasing year after year. So it has been very difficult to cope with that.

Right now we are under another constraint in the area of pupil transportation. As I understand it, it has been decreased again by close to $100,000. The difference from fiscal year 1983 and 1984, we are losing close to $100,000 in pupil transportation. Eighty percent of our roads are unpaved, and they become impassable during the winter weather, so we cannot withstand some of those cuts. So we will probably have to lose some of our bus drivers in that area to cope with it.

We have also been getting some information that the BIA is going to do some reprogramming of nearly $20 million of fiscal year 1984 moneys for automated data processing for a management information system, which is about 30 percent of the total dollars being taken out of education moneys.

Although there has been some direction set forth from the House Interior Appropriations Committee, I think the reprogramming is already somewhat in place. We recognize that we are losing 3.5 percent of the funding this year out of fiscal year 1984. We are concerned. That is why we are asking for the committee to see if they can check into some of the things that are happening with the Bureau funding for education.

We ask the committee to ask the General Accounting Office to investigate the BIA's reprogramming of funds for ADP, to determine if any laws or committee directives have been violated. If such reprogramming is, indeed, not the wish of this committee, then direct the BIA to immediately restore and reprogram the amount to the educational program at the agency and tribal school level.

Mr. **Alexander**. We asked Assistant Secretary Smith about reprogramming this morning. It is our understanding there will be a recommendation within the next week or 10 days to deal with the ADP expenses, which probably will involve their requesting, at least in part, a supplemental. We are following that area closely, and we will see what we can do.

Mr. **Cohoe**. OK, because I feel that it has already occurred because our last fall's contract negotiation reflects some modification already, so there is a decrease in the amount of dollars that was actually allocated to our school. So we feel that that is where the money went.

Third, we ask that the committee support appropriations for Indian students equalization formula for fiscal year 1988 at least equal to fiscal year 1983 plus an amount to reflect actual inflation for the interim period of time.

We also ask that the committee direct the BIA to immediately implement a forward funding budgetary process to assure that the contracts are negotiated and issued in a timely manner, because it is hard to plan, even for the year, when we have to change our cadence in the middle of the fiscal year, since we do no know whether the actual negotiated figure is going to be the actual dollar we will be receiving. Every year we know that there has been a reduction of funds, and there is no way that we can plan to improve the educational system, which everybody is asking us to do.

It is hard for us to maintain our standards with the State's accreditation system. We are approved by the State of New Mexico now as well as the North Central Accreditation, of which we are also a member. When our dollars are being cut, it is hard to even maintain the standards which we have met in the past, so it is very difficult for us.

Another thing that has been a continual problem is that the Bureau of Indian Affairs has not been consulting with the tribe or the contract school as to how to develop and implement the system in regard to the proportionment of dollars when a school student is transferred to another school or to another BIA or contract school. When we have a student transfer in, we do not have the dollars to go along with it, so we are actually shortchanging the students. We have to curtail some of the services for the other students because the enrollment increases.

We also request the committee to support additional appropriations and direct the Bureau to implement a provision for factoring early childhood education and the gifted and talented programs into the student equalization formula.

These are the major concerns that we have.

I would like to thank you for the time I was allowed to testify before the committee.

[The prepared statement follows. Testimony resumes on p. 270.]

PREPARED
TESTIMONY

February 21-22, 1984

by
RAMAH NAVAJO SCHOOL BOARD, INC.
Bennie Cohoe, Executive Director
Chavez P. Coho, President, Board of Trustees
Pine Hill, New Mexico 87321

Mr. Chairman and distinguished members of the Committee, my name is Bennie Cohoe, Executive Director of the Ramah Navajo School Board, Inc. With me today is Mr. Chavez Coho, School Board President. We appreciate the opportunity to present our concerns to you. I will keep my statement as brief as possible and would like it to be made part of the written record. We will provide you with supportive documents pertaining to the issues raised.

We have three priority areas of concern regarding the FY '85 BIA budget.

I. Completion of Pine Hill School Facilities.

Gentlemen, our campus is only 60% complete. Back in the 1970's, our construction was halted in mid-process due to the Bureau-wide construction freeze. When the New School Construction Priority System was implemented, it was arbitrarily applied to the Ramah Navajo School Board, even though it was in progress and, like other BIA construction projects, should have been completed. A Bureau decision was made to delete Pine Hill Campus from New School Construction and put it on Facilities Improvement and Repair (FI&R) backlog to complete the construction. However, conctract schools were judged not eligible for FI&R at that time.

The net result is that our middle school students are in totally inadequate, temporary facilities that lack basic hygienic facilities and are often unusable during the winter months; we must attempt to feed more than 500 students in our Home Economics classroom; seven months out of the year we walk through mud to get from building to building, and moisture permeation and erosion are severely damaging our facilities; our staff are housed in old, inefficient mobile homes; and the administrative staff is scattered about campus in portables, closets, and other spaces needed for educational programs.

So you can see that we have reason for concern. Even more, our parents and community members wonder why past promises have been forgotten. Mr. Chairman and Committee Members, we have followed the requirements of the system, and we have lost out. We've been the victim of a process of comparing apples and oranges: we were on the way to constructing an adequate and befitting educational complex, but we got thrown into a formula system designed for new start-ups. Our requests to the BIA for explanations and assistance to remedy the situation go unheeded. We realize that other Indian communities need school facilities, and we respect the need for the formula as it applies to new school construction needs, but it just doesn't make sense to leave a project uncompleted in mid-phase while jumping to new projects.

We respectfully urge your favorable consideration of the following recommendations:

1. That the Committee support appropriations of at least $5,466,215 in FY '85 to complete construction of three critical facilities

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priorities on the Pine Hill campus: (a) Cafeteria, costing $1,700,215; (b) Middle School, costing $906,000; and (c) Staff Housing, costing $2,860,000.

2. That the Committee direct the Department of the Interior and the BIA to review the construction needs of the Pine Hill Campus and to include in its annula budgets such funds as are necessary to complete the campus master plan.

3. That the Committee direct the Department of the Interior to, in addition to the above construction, place the Ramah Navajo School Board on the FI&R backlog listing for FY '85, with adequate funding to implement the findings of the Interior's recent comprehensive inventory and study of our facilities.

4. That the Committee direct the BIA to provide an explanation as to why the New School Construction ranking was applied to Pine Hill; why the original scope of the project was not completed as per Congressional commitment; and to take immediate steps to correct the situation.

II. Facilities Operations and Maintenance.

Mr. Chairman and Committee Members, our current level of Operations and Maintenance funding is totally inadequate in relation to our needs. Although the files of various BIA and Interior offices have contained facilities space data showing from 35,000 to 65,000 total square feet for our facilities, the recently completed comprehensive inventory and study sponsored by the Department of the Interior reveals total square footage approaching 200,000!

To give you more background on our need, utilities costs have skyrocketed in the past four years, while our O & M funding level has decreased. Half of our budget now goes toward paying the utilities bill - and even that outlay falls short of the actual costs, which we must cover any which way we can. We have had to lay off nearly half of the O&M staff we had in 1980, and yet the maintenance needs are even greater now that they were then. A related problem is that we get no additional O & M monies for our community Clinic nor for other facilities operated by non-educational programs - of which we have many. The Clinic was constructed by the BIA as a support facility to the educational complex and is presently operated under a PL 93-638 contract with the Indian Health Service by means of a facility usage agreement with the Bureau. Clinic O & M costs are estimated at $65,000 per year, but there is no O & M funding to cover them. Similarly, our Board's non-school programs occupy about 100,000 square feet of space, and yet there are no O & M funds directly tied to those programs and facilities.

We respectfully recommend the following:

1. That the Committee support significant increases in appropriations for facilities operations and maintenance for Ramah Navajo School Board, commensurate with the square footage defined in the recent Interior Department inventory study of Pine Hill Campus, and in line with realistic operations and maintenance costs.

2. That the Committee direct the Department of the Interior to ensure O & M funding for the Pine Hill Health Center, either directly or through arrangement with the Indian Health Service.

III. School Operations.

As we have brought to the your attention in previous hearings, we still see problems with the Indian Student Equalization Program (ISEP). At this time, we would like to comment on the following issues:

A. The Bureau's system for determining funding levels for schools and then distributing annual allocations is terrible for school programs to work with. Since final annual allotments are not made until halfway through the school year, the system works against long-range planning and program stability. Each year involves budgetary uncertainty, delays, mid-year changes, and a trend of decreasing dollars to pit against rising costs.

Moreover, the "count-week" method of certifying student enrollment gives rise to mercenary competition for "live bodies" between Bureau-funded educational programs. Student needs are often disregarded in special recruitment drives, and some schools get caught in the course of the year with transfer enrollments for which there is no ISEF allocation.

Additionally, the Bureau's funding cycle is out-of-synch with the school year. This fact, coupled with the delays and uncertainties mentioned above, causes school administrators to limit staffing and programming for each school year. And many of us reserve funds to carry forward to the following fiscal year, just to ensure that first-quarter costs are covered until the annual allotment comes through.

B. We understand that the BIA is seeking to reprogram nearly $20 million of FY '84 monies for its Automated Data Processing (ADP)/Management Information System (MIS), of which more than 30% is being taken from educational monies. This is in spite of last Fall's House Interior Appropriations Report, which expressly prohibited the Bureau from imposing charges for the system on the tribal/agency level. Our final allocation for ISEP, as recently communicated to us, reflects the diversion of these dollars. Was this the wish of Congress?

The resulting 3½% loss of funds this year, coupled with further cuts exceeding $1 million being considered for FY '85 Bureau-wide, will have definite negative effects on our program. We are rapidly losing our ability to maintain the certification standards set by our accrediting agencies, especially in vocational and elective course offerings and in supportive services. Just as critically, we are severely limited in our ability provide resources for innovation and for special innovatives to foster excellence. We are further compromised in our efforts to meet your standards as a Committee of Congress, as well as to meet the cherished expectations of the parents of our community.

In light of the recent national focus on the quality of American education, and considering the special needs of rural Indian populations, we find it incredible that funding reductions to Indian schools are even being considered. The resources being made available fall short of the level needed not only to maintain present minimal programs, but more importantly, to meet the challenge of excellence.

C. We understand that the Bureau plans not to fund pre-school programs in Fy '85. There is no educationally sound basis for this decision. In fact, as we have presented to this Committee before, ample research exists to support substantial increases in funding for early childhood education.

We feel that we have one of the finest Indian early childhood programs, and we have results to show it. For instance, last year our pre-school students showed an average gain of forty-five (45) percentile points on the nationally-normed pre-school inventory tests. We have argued long and hard in defense of early childhood education, not only for our community but for all Indian communities. Far from being a social program to provide babysitting services, well-designed early childhood education has long-term educational and social effects of the most dramatic and positive kind. Our future generation deserves the best start possible, and our School Board, for one, intends to provide them with just that.

D. Finally, we do not receive extra ISEP funding for gifted and talented programming. So as not to neglect the needs of our gifted and talented children, we do provide some special educational experiences for them, but we squeeze such activities out of our regular program budget. As our educational dollars continue to shrink and our ability to provide even basic instructional programs continues to be compromised, we stand to be deprived of this highly valued and needed program.

In relation, then, to our concerns about school funding, we respectfully make the following recommendations:

1. That the Committee ask the General Accounting Office to investigate the BIA reprogramming of funds for ADP, to determine if any laws or Committee directives have been violated.

2. If such reprogramming is indeed not the wish of this Committee, then to direct the BIA to immediately restore the reprogrammed amounts to the educational programs at the agency/tribal/school level.

3. That the Committee support appropriations for the Indian Student Equalization Program (ISEP) in FY '85 at least equal to the FY '83 level, plus an amount to reflect actual inflation for the intervening period of time.

4. That the Committee direct the BIA to immediately implement a "forward-funding" budgetary process and ensure that contracts are negotiated and issued in a timely manner.

5. That the Committee direct the BIA to develop and implement, in consultation with tribes and contract schools, a budgetary system that provides for program stability and long-range planning by guaranteeing a stable level of funding, with limitations on funding reductions, over a three (3) year period.

6. That the Committee direct the BIA to develop and implement, in consultation with tribes and contract schools, a system whereby a proportion of dollars follows a student transferring during the school year to another BIA or contract school.

7. That the Committee support additional appropriations, and direct the BIA to implement a provision, for factoring Early Childhood Education and Gifted & Talented programming into the Indian Student Equalization Formula (ISEF).

Mr. Chairman and distinguished Committee Members, Mr. Chavez Coho, President of our School Board and an Indian leader not unfamiliar to you, wishes me to conclude our testimony with the following thoughts:

> The Ramah Navajo School Board has been well known for taking the initiative in designing programs and securing the resources needed to meet the comprehensive educational and social needs of its Indian community. Our greatest successes came when this initiative was met with enthusiasm here in Congress, and when we worked together with you to make a difference on the Ramah Navajo Reservation. We started our own school campus and established a wide range of responsive programs - after decades of inconsistent and minimal services to our people by outside agencies. In the past four years, however, our funding has been cut by more than fifty percent (50%). The construction ofour school campus was abruptly halted in mid-process, and our administrators, teachers, and support staff still do not have decent housing. I feel certain that it is not the intent of Congress to penalize our initiative and success, yet we do feel frustrated and thwarted. We respectcfully urge your most favorable attention to our situation and to our recommendations and requests.

Thank you.

Mr. Alexander. Thank you very much.

Ms. Boylan has some questions for you that she would like to address.

Ms. Boylan. I have just two questions, going back to the beginning of your statement, Mr. Cohoe, on the Pine Hill School facility.

No. 1, is this the first time you have brought this to the attention of the Congress or have you tried every year to do this?

Mr. Cohoe. Going back to 1972, the Ramah Navajo School Board first came to Washington in 1972 seeking construction funds. Since then, we were able to get funding three times, since Congress at that time indicated that, "We will assist you with your school facility needs, but we will appropriate dollars yearly, so you will be constructing your school in phases." So up to now, we have been funded for only three phases of construction, which completed 60 percent of our facility.

Since then, we have come back to Congress about three times, and we have tried and changed with the new format. We went through the ranking system. We went through the application system, which still gave us zero results.

Ms. Boylan. This is the first I have heard of it. That is why I asked you the question.

No. 2, are you under the Navajo area office?

Mr. Cohoe. The Albuquerque area office. Well, they do not have anything like $5.5 million in their facilities improvement and repair, but the Navajo does. The Navajo has quite a bit. I was just thinking, if you were under the Navajo, we could have some report language that would take care of it, but you are going to have to have an add-on of some kind.

Mr. Cohoe. Right. Well, the big Navajos have a lot of needs.

Ms. Boylan. OK. Thank you.

Mr. Alexander. Your testimony also indicated that you have some statistical evidence on the advantage provided by the preschool program. We would be interested in getting for the record any backup information or data that you have about the effectiveness of the preschool program.

Mr. **Cohoe**. Yes, we will.

Mr. **Alexander**. OK. I would appreciate it.

Thank you very much for coming today.

Mr. **Cohoe**. Thank you.

Mr. **Alexander**. I have a statement from Gordon Ruff of Nixon, NV. Without objection, I will place that in the record at this point.

[The prepared statement follows:]

PYRAMID LAKE
HIGH SCHOOL
P.O. Box 241
Nixon, Nevada 89424
Phone (702) 476-0183

February 23, 1984

Mr. Chairman and Members of
the Senate Select Committee:

I am Dr. Gordon V. Ruff, Superintendent of the Pyramid Lake High School, Nixon, Nevada. I have been directed by my Board of Education and Tribal Council to appear before you on behalf of the children on the Pyramid Lake Paiute Reservation.

Indian Education has consistently been a focus of the Federal Government's Trust responsibility for Indian nations. Public Law 93-638--Indian Self-Determination and Education Assistance Act explicitly notes the Federal responsibility for Indian education. (See addenda #1.)

There are provisions in Congressional legislation which refer to provision of physical plant for Contract Tribal Schools. Since you and your staff are all too well acquainted with the specific legislation, I shall not be redundant. Time is too important to be so presumptuous as to outline pages of legislative, treaty and adjudicated case law.

The Pyramid Lake High School Board of Education and the Pyramid Lake Paiute Tribal Council has expended thousands of dollars and over a years time obtaining approval of an F.I. & R., PL 93-638 contract for architecture and engineering design work for the Pyramid Lake High School.

To obviate the most probable necessity of having to endure the frustrations again to obtain the necessary construction funds be allocated, we feel it behooves us to directly appeal to Congress to set aside construction funds for fiscal year 1985. These funds would be allocated from F.I. & R. funds for fiscal year 1985.

Should you take time to read between the lines of these paragraphs, I'm sure you can appreciate the reality of what is experienced by those of us who endeavor so hard to provide an appropriate educational setting and program for our children.

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Thanks go to Assistant Secretary: Ken Smith; Deputy Assistant Director for Indian Educational Programs: Nancy Garrett; and Deputy Assistant Secretary, D.O.I.: John Fritz, for getting our project moving forward.

We respectfully request your support of our request that adequate F.I. & R. funds for 1985 be set aside for construction of the Pyramid Lake High School remodeling project.

According to the preliminary estimate submitted to the BIA on March 29, 1983, the amount at that time was projected at: $2,135,000.00. (See addenda #2.) By the time we finally get O.C.M. to award a construction contract--hopefully by December 1984, I'm sure this will increase by some 20+ percent to approximately 2,562,000.00.

Needless to say, if this project had progressed on a proper time schedule, hundreds of thousands of dollars would have been saved. We submit if school facilities projects were under the BIA rather than O.C.M., this and other projects would not only progress more rapidly, but would also save taxpayer dollars.

Thank you for your courteous attention to our needs.

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See, e.g., Treaty of December 2, 1794, 7 Stat. 47, 48; Act of March 30, 1802, 2 Stat. 139; Treatly of August 13, 1803, 7 Stat. 78, 79; S. Rep. No. 91-501, 91st Cong., 1st Sess. 11 (1969); Act of March 3, 1871, 16 Stat. 544, 566; Act of March 3, 1819, 3 Stat. 516; Act of July 9, 1832, 4 Stat. 564; Act of July 31, 1882, 22 Stat. 181; Act of May 17, 1882, 22 Stat, 68, 85; General Allotment Act of 1887, 24 Stat. 388; Act of March 3, 1893, 27 Stat. 612, 635; Act of June 10, 1896, 25 U.S.C. & 287 (1963); Snyder Act of 1921, 25 U.S.C. & 13 (Cum. Supp. 1978); Citizenship Act of 1924, 8 U.S.C. & 1401(a) (2) (1963); Meriam Report, *The Problem of Indian Administration* & 1928; Indian Reorganization Act, 25 U.S.C. & 461 *et seq.*; The Johnson O'Malley Act, 25 U.S.C. && 452-57; Federally Impacted Areas Act of 1950, 20 U.S.C. && 236-41-1 (1963); School Facilities Construction Act of 1950, 20 U.S.C. && 631-47 (1963); Elementary and Secondary Education Act of 1965, 79 Stat. 27 (1975); Indian Education Act of 1972, P.L. 92-318, 86 Stat. 334; Part B of Title IV, 20 U.S.C. && 3385-3385b; Part C of Title IV, 20 U.S.C. & 1121 a(1974): Part D of Title IV, 20 U.S.C. &1221 (1974); Part E of Title IV, 20 U.S.C. & 887c(d) (1974); Indian Self-Determination and Education Assistance Act of 1975, 25 U.S.C. && 450-458e (Cum. Supp. 1978); Tribally Controlled Community College Assistance Act of 1978, 25 U.S.C. && 1801 *et seq.* (Cum. Supp. 1978); Title XI of the Education Amendments Act of 1978, 25 U.S.C. & 2001 *et seq.* (Cum. Supp. 1978).

ADDENDA #2

School Facilities Staff - Planning

Fiscal Year 1985 FI&R Program: Program of Requirements
for Pyramid Lake High School, Phoenix Area

Chief, Facilities Engineering Staff

Enclosed is the Program of Requirements for the Facility Improvement and Repair Project at the Subject location(s). Estimated costs for the outlined project(s) are:

	Estimated Construction Cost	Estimated Design Fee & Contingencies	Estimated Supervision & Contingencies	Total for Project
Pyramid Lake High School	$ 1,750,000	$ 122,500	$ 262,500	$2,135,000

An investigation was conducted in August of 1981 to determine which Bureau and Contract schools on the Bureau's new construction list could be brought up to all codes and standards by the utilization of the facilities improvement and repair program versus remaining in the New Construction Program.

At that time Pyramid Lake High School was determined to be a likely school to utilize FI&R funding to bring this facility within all codes and standards for it's high school occupancy. Because of the low ranking on the new construction list and the March 4, 1982 memorandum by Mr. Roy M. Sampsel the School remains in the 5-year FI&R planning program.

In order to expedite design of the FY 1985 FI&R program the following procedure, agreed to by Facilities Engineering Staff, School Facilities Staff-Planning & OCM, will be followed:

1. A copy of this memorandum and enclosure(s) will be sent to the Area for review.
2. A-E selection may begin immediately for the project.
3. Area review of the POR may be concurrent with the selected A-E's on-site program validation visit.
4. A-E and Area review comments will be sent to School Facilities Staff-Planning by the COR immediately following the A-E and Area review and validation visit.

5. Review material will be coordinated by School Facilities Staff-Planning. Revised POE's, or supplementary material, will be issued by School Facilities Staff-Planning to Facilities Engineering Staff, and the appropriate Area COR, for issuance to the selected A-E for design or negotiation purposes.

6. The pre-negotiation conferences and contract negotiation will be scheduled by the Branch of Contract Services and Facilities Engineering Staff. Pre-negotiation conferences will include the Area COR; representatives of School Facilities Staff-Planning; and appropriate Facilities Engineering Staff (staff from Contract Services and A-E Services). Teh POR for each particular project will be reviewed and clarified for the negotiation team previous to the actual contract negotiations.

Copies of this memorandum and enclosure, will be provided the Area and OCM for information and procedural purposes. Questions concerning this memorandum or its enclosure should be addressed to School Facilities Staff-Planning.

/s/ Daryl E. Dick

Robert Montoya, Architect

Noted: Daryl E. Dick, Architect
Chief, School Facilities-Planning

/s/ Walter P. Latta

Approved: Walter P. Latta, Acting Chief
School Facilities Staff

Enclosure

cc: Phoenix Area Director
Attn: Facility Management
Bob Montoya, School Facilities

PROGRAM OF REQUIREMENTS
PHOENIX AREA
WESTERN NEVADA AGENCY
PYRAMID LAKE HIGH SCHOOL
TOTAL PROJECT COST: $1,750,000

FACILITIES IMPROVEMENT & REPAIR PROGRAM:

Site Work: $ 313,000

-Clear & grub
-Provide base course grading/road preparation for access & parking
-Provide rough & fine grading
-Install 17,000 S.F. of sidewalk paving
-Provide on-site water storage tank for fire protection system
-Install 3,000 + L.F. of security fencing with 3-gates

Building 101 - School 4,515 S.F. $ 549,000

This is a converted office type building quite outdated being utilized as a high school, dining/kitchen hall & administration office

*doesn't necessarily mean demolition-

-Demolish & replace with a new 11,100 S.F. + classroom building, which will correct all existing functional deficiencies, comply with current life, safety, & building codes & comply with specially mandated programs concerning environmental protection, energy conservation & the handicapped. Include the following:

a. 5-General purpose classrooms
b. 1-Science/laboratory/prep classrooms
c. 1-Arts & crafts room
d. 1-Teacher prep area
e. 1-Counselor's office
f. 1-Boy's restroom
g. 1-Girl's restroom
h. Janitor's closet, mechanical & electrical room(s)
i. Fire protection sprinkler system

Building 103 - Gymnasium 10,793 S.F. $ 613,000

-Demolish & replace with a 13,100 S.F. + physical education, kitchen/dining, activity center which will correct all existing functional deficiencies, comply with current life, safety, & building codes & comply with specially mandated programs concerning environmental protection, energy conservation & the handicapped. Include the following:

a. 50 ft. X 80 ft. wood floor basketball court with a seating capacity of approximately 300
b. Lockers, showers with toilets for both boys & girls
c. Storage room
d. Laudrey room

e. Coaches office(s) with shower stall
f. Conditioning & weight room
g. Public toilets for both men & women
h. Food preparation, kitchen & dining area
i. Fire protection sprinkler system

Building 104 - Office 5,744 S.F. $ 215,000

-Remodel & renovate existing unoccupied building which will correct all existing functional deficiencies. Comply with current life, safety, & building codes & comply with specially mandated programs concerning environmental protection, energy conservation & the handicapped. Include the following:
a. 1-General office/secretarial-reception/storage
b. 1-Administration office
c. 1-Accounting/business office & vault
d. 1-Health/school nurse office
e. Instructional materials center/audio visual/storage
f. Toilet facilities for both men & women
g. 1-Library/reading area
h. Janitor's closet & mechanical room

Building 105 - Storage 300 S.F. $ 20,000

-Construct a 1,000 S.F. storage addition

Building 106 - Shop 1,600 S.F. $ 40,000

-Construct a 1,600 S.F. metal/automotive instructional shop addition with storage

Any further program development shall be conducted by the selected architect in conjunction with the efforts of school's program.

-END OF POR-

Mr. ALEXANDER. We are in recess until 10 o'clock Thursday morning.

[Whereupon, at 3:22 p.m., the hearing recessed, to reconvene Thursday, February 23, 1984, at 10 a.m.]

FISCAL YEAR 1985 BUDGET

FEBRUARY 23, 1984

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to recess, at 10:17 a.m., in room SD-538, Senator John Melcher (acting chairman of the committee) presiding.

Present: Senator Melcher.

Staff present: Paul Alexander, staff director; Max Richtman, minority staff director; Patricia Zell, staff attorney; Jane Wrenn, special counsel; and Lynn Toledo, secretary.

Senator **MELCHER**. The hearing will come to order.

This is the second day of hearings of the Select Committee on Indian Affairs on the Oversight of the Federal Indian budget for fiscal year 1985. We will be examining today the President's request for the Indian Health Service portion of the Federal Budget and the Indian programs operated by the Department of Education.

It has been my belief, for a great number of years, that the responsibility for administering the Federal Government's trust obligation to Indian people resides in all three branches of the Federal Government; and although we may be on opposite sides of the table as we proceed with this hearing today, I hope that we can all work together in the coming months to assure the smooth and efficient administration of all the Indian programs that Congress has authorized.

We will begin today with witnesses who are representatives of the Department of Health and Human Services, and I understand they are prepared to discuss the President's fiscal year 1985 budget request for the Indian Health Service. It is my intention to depart from the usual discussion of specific budget items and to focus today on the policies that are embodied in the President's budget request for Indian Health Service.

Dr. Graham, I am happy to see that you have included in your panel today a distinguished member of the Fort Peck Tribes from my home State of Montana. Welcome, Dr. Steele. It is a real pleasure to see you here today. You are the brightest of the four at the witness table today.

I mean that both intellectually and from appearances.

Dr. **GRAHAM**. That makes it easy. She can answer all the questions.

Senator **MELCHER**. Now they want to disprove it. You know, that male macho stuff.

All right, let us proceed. I think, Dr. Graham, you are going to speak for the panel, are you not?

Dr. **Graham**. Well, all of us will participate at one point or another, Mr. Chairman.

Senator **Melcher**. Fine. Let us proceed.

STATEMENT OF ROBERT GRAHAM, M.D., ADMINISTRATOR, HEALTH RESOURCES AND SERVICES ADMINISTRATION; ACCOMPANIED BY DR. EVERETT RHOADES, DIRECTOR, INDIAN HEALTH SERVICE; DR. LOIS STEELE, DIRECTOR, INDIANS INTO MEDICINE PROGRAM, GRAND FORKS, ND; HOWARD ROACH, ASSOCIATE DIRECTOR FOR ADMINISTRATION, INDIAN HEALTH SERVICE

Dr. **Graham**. I appreciate both the substance and the spirit of your opening comments. We have prepared an opening statement and submitted it to the committee. I would like to simply have it put in the record at this point.

Senator **Melcher**. It will be made part of the record at the conclusion of your oral presentation. Please proceed as you see fit.

Dr. **Graham**. I would like to summarize very briefly.

I should introduce, in addition to Dr. Steele, Dr. Everett Rhoades, who is on my immediate left. Dr. Rhoades is the director of the Indian Health Service. Mr. Howard Roach is the associate director for management of the Indian Health Service.

What we have summarized in our statement to you are the accomplishments and the progress that have been made by the Indian Health Service in the 30 years of its administration within the Department of Health and Human Service/Health, Education and Welfare.

During that time, substantial strides have been made in improving the health care of the Indian people and the health status of Indian communities. The President's budget, which you have before you for consideration, would allow us to continue in the highest priority of clinical activities.

With that, sir, we would be happy to respond to the questions and issues that you would like to pursue.

[The prepared statement follows:]

Prepared Statement by Dr. Robert Graham, Administrator, Health Resources and Services Administration, HHS

Mr. Chairman and Members of the Committee, I am Dr. Robert Graham, Administrator of the Health Resources and Services Administration. With me are Dr. Everett Rhoades, Director of the Indian Health Service, and Mr. Howard Roach, Associate Director for Administration, Indian Health Service. In addition, at the Committee's request, Dr. Lois Steele, Director of the INMED program at the University of North Dakota, is here with us to respond to questions about her program. We are pleased to be here today to discuss with you and your Committee the Fiscal Year 1985 budget request for Indian Health programs.

FY 1985 marks the thirtieth year since Congress transferred the responsibility for Indian health programs from the Department of the Interior to the Public Health Service.

When the transfer took place in 1955, the Division of Indian Health, as it was first called, was comprised of a small corps of dedicated health professionals combating illnesses and premature deaths in a population of approximately 348,000. Health services were primarily curative and the focus of the program was directed at acute infectious diseases.

In FY 1985, the IHS will provide comprehensive health services to a population of approximately 931,000 through a system of 47 hospitals with outpatient departments, 84 health centers and more than 300 field health stations staffed by over 10,000 skilled and dedicated women and men and through over 1,500 contracts with private providers. In addition, tribes now operate four hospitals and over 250 health clinics through contracts with the IHS. Various health services from outreach and referral to comprehensive ambulatory care, are provided to urban Indians through 37 urban Indian health projects. Today, a primary focus of the IHS comprehensive health programs is the provision of preventive health services delivered through a community oriented approach.

The goal of elevating the health status of the American Indian and Alaska Native people to a level at parity with the rest of the population has remained constant over the past 30 years. The mission is undergoing modification to more accurately reflect the need to prevent premature mortality, to prevent excess morbidity, and to improve the quality of Indian life. To fulfill this mission, the IHS will continue to: (1) provide and/or assure the availability and accessibility of high quality health services; (2) provide increasing opportunities for Indian people to manage and operate their own health programs; and (3) serve as an advocate for Indian people in health related matters.

I would like to take this opportunity to recount to you some of the program accomplishments since 1955 which the IHS, Indian people, and the Congress, as partners, have achieved. Since 1955:

1. 30 hospitals with outpatient departments, 30 health clinics, and 58 field health stations have been constructed to provide new or replace inadequate, unsafe and non-accredited hospitals and clinics and to assure the availability and accessibility of health services.

2. Annual admissions to IHS and contract hospitals have more than doubled; outpatient visits have increased approximately eight times; and the number of dental services provided is 10 times as great.

3. The infant death rate has decreased by 77 percent and the material death rate by 86 percent; the death rate resulting from pneumonia and influenza has decreased by 73 percent; and death from tuberculosis has been reduced by 94 percent and the incidence of new active tuberculosis has been reduced by 84 percent.

Over the past 15 years, the IHS has undergone tremendous changes caused by a combination of legislation, budget and program redirection, increased Indian involvement and tribal management, judicial rulings, and increasing demand for health services. In 1970, the President sent a message on Indian affairs to the Congress which emphasized the need to establish and strengthen the Federal-Indian relationship. The enactment of the Indian Self-Determination and Education Assistance Act (P.L. 93-638) in 1975 and the Indian Health Care Improvement Act (P.L. 94-437) in 1976 represented almost a decade of effort to establish a framework within which Indian people can effectively decide their role in health programs developed to serve the Indian community. Public Law 93-638 provides the mechanism and P.L. 94-437 provides the authorization for resources to make Indian self-determination a reality.

In April of 1980, the National Plan for the improvement of health care to Indian people was submitted to Congress which identified the additional resources which would accomplish the goals defined in P.L. 94-437. A major outgrowth of the National Plan was the health services priority system which arrayed the tribes into five levels of resource deficiency.

The Congress responded to this plan by establishing the equity health care fund in FY 1981. The intent of the equity health care initiative is to provide priority funding to those tribes with the greatest level of resource deficiency. We are achieving the FY 1984 goal in bringing all tribes to Level III, with no tribe having more than a 60 percent deficiency.

The authorities and resources received from P.L. 93-638 and P.L. 94-437 have made possible some dramatic improvements in the past decade. Several examples of the accomplishments are highlighted below:

1. The IHS has established and administers an Indian oriented health manpower program designed to support the broad objective of eliminating health manpower shortages in all health care areas affecting the IHS.

2. A comprehensive mental health program has been developed and substantial progress toward the integration of alcohol treatment within a community-oriented comprehensive health delivery system has been achieved.

3. There is increased access to Medicare and Medicaid benefits for many Indian people. The targeted use of these reimbursements has dramatically aided the IHS facilities' capability to meet accreditation standards. Currently, 38 of the 47 hospi-

tals operated by the IHS and all hospitals operated by the tribes are accredited by the Joint Commission on Accreditation of Hospitals.

4. In addition to the four tribally operated hospitals and over 250 health clinics, almost all tribes operate portions of health programs such as alcoholism, mental health, community health aide, contract health care and environmental health service programs.

5. Tribes are also contracting to design and construct health facilities and quarters and essential water and sewer facilities have been provided to 25,700 Indian homes.

These accomplishments have been achieved during a period of rapid expansion and growth of the IHS program. The increase in the level of services, the intensification of Indian self-determination efforts, the institution of new programs and overall program growth has placed an extreme demand on IHS management. Since 1980, two external studies as well as an internal task force, have identified specific problem areas and have made recommendations for improvement. In order to keep pace with the requirements of this dynamic and growing health delivery system and in response to these studies, the IHS has initiated review and action on many of the recommended changes and continues to examine alternatives for more efficient management.

In FY 1983, and continuing in FY 1984, the IHS intensified a process of ongoing oversight of the IHS programs from a clinical and management perspective. As a result of this process, the IHS has implemented actions for improving management capabilities, improving resource allocation methodologies, more efficiently processing claims for payment, improving procurement procedures, and maximizing third party resources.

Specific actions which have been initiated include:

1. A test was conducted to evaluate the proposed resource allocation methodology. Upon review of the results of this test, the IHS has determined that the methodology is sound. In FY 1984, this methodology was utilized to distribute $41.8 million of program increases (hospitals and health clinics, contract health service and tribal support funds) to the area/program offices. This resource allocation formula will be further analyzed and refined to insure a more equitable distribution of resources.

2. The registration data system was implemented on January 1, 1984. The data from this system will aid the IHS in more accurately identifying the eligible population.

3. The IHS completed a five year strategic information system plan for management information from all levels of disciplines and programs. Information system planning supports the request for ADP resources.

4. Area and program office reviews have been restructured and reinstituted to improve management capability. Three area offices will be reviewed during FY 1984.

5. On October 1, 1983, the IHS began collecting reimbursement from Medicare under the Prospective Payment System using Diagnostic Related Groups. An automated billing process was initiated late in FY 1983 and development will continue through FY 1984. In FY 1985, the IHS will use the improvements in the billing and registration system to collect approximately $55.4 million from Medicare and Medicaid and $4 million from other third party resources.

6. Contract health service audits have been reinstituted to review and monitor payments made to private providers.

7. In FY 1984, the administrative structure of the IHS headquarters has undergone a reorganization designed to adjust this structure to the current requirements and demands of the program.

Over the past 30 years, the Congress, the Indian people, and the IHS have shaped a unique health care delivery system which is responsive to the needs of the American Indian and Alaska Native people. Public Law 94-437, and its Amendments were seen by the Congress as an effort to overcome existing deficiencies in Indian health care. The provisions were designed to maintain a health system for providing high quality and quantity health services to Indian people through incremental increases in resources to the IHS budget base between 1978 and 1984. This act has made it possible for the Indian people and the IHS to achieve many improvements in the health of the American Indian and Alaska Native people.

For Fiscal Year 1985, the Administration is requesting obligation authority for the IHS of $809 million for services, which incorporates the IHS administrative reforms. This will enable us to maintain the traditional Federal role in delivering health care to the Indian people. The provision of basic inpatient and outpatient medical services will continue as the highest IHS priority.

In fiscal year 1984, we anticipate that our initiative to increase collections for services from insurance and other sources to supplement the appropriations will yield approximately $40 million from Medicare and Medicaid. The proposal in the President's budget would result in expanding Medicare and Medicaid collections to $55.4 million as well $4 million in collections from insurers who cover Indians and their families.

In addition to the annual appropriations request, increased collections from reimbursements will result in increased IHS flexibility to maintain existing health services levels despite the increasing cost of medical care. Such additional support will strengthen efforts to improve the health status of the Indian people, while assuring that third-party payers reimburse for covered health services.

With regard to Indian health manpower, the FY 1985 budget includes support of 66 students in the Health Professions Preparatory Scholarship program, 350 students in the Health Professions Scholarship program, and 50 students in the extern program.

With regard to Indian self-determination, let me assure you that the IHS will continue to assist the tribes to assume the responsibilities for health services through the P.L. 93-638 authority.

This concludes my opening statement. We will be glad to answer any questions you may have.

Senator **MELCHER**. I would like, first of all, to have the following materials for the committee: The 1980 National Plan for the Improvement of Health Care to Indian People,[1] which you referred to in your testimony; the private sector study on the use of a fiscal intermediary by IHS that is referred to in the IHS Budget Justification Book; and the final report of the IHS Task Force on Reauthorization of the Indian Health Care Improvement Act.[2]

I assume that you can submit all these materials to use immediately. Is that correct?

Dr. **GRAHAM**. I see no difficulty with that, sir.

Senator **MELCHER**. Thank you.

[The material follows. Testimony resumes on p. 333.]

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[1] Retained in committee files.

[2] Not received at time of printing.

INDIAN HEALTH SERVICES
CONTRACT HEALTH SERVICES
FINAL REPORT

Written by:

Martin Kotler

Lanny Morrison

Tecl[illegible]skulski

Ilene Kreisberg

We are indebted to the Work Group, especially staff of the Indian Health Service and of our client agency, the Office of the Assistant Secretary of Planning and Evaluation (ASPE), who assisted in refining our workplan and provided guidance in the development of methodology.

We would like to express our appreciation to the officials of each of the Federal agencies who were contacted. They were patient, informative, and generous with their time.

Macro Systems, Inc. March 1984

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I. BACKGROUND

The impetus for this study arose from three recent studies that have identified problem areas associated with the claims processing system of the Indian Health Service Contract Health Services (CHS):

- General Accounting Office (GAO): Letter Reports, November 1982.
- President's Private Sector Survey on Cost Control: Report on Contract Health Services Program of the Indian Health Service, October 1982.
- Director's Task Force on Contract Health Services: Recommendations for Improved Management of the Contract Health Services Program, February 1983.

Exhibit I-1 describes the highlights of each study. All three studies included a strong recommendation that IHS should use one or more external fiscal agents (FA) to process CHS claims. The proposed use of an FA would be similar to that used in the Medicare payment system. GAO and the Grace Commission Report identified the potential use of an FA as critical to the solution of five major problems faced by the Indian Health Service (IHS) in managing its claims processing system:

- Claims processing costs
- Payment at unreasonable rates (i.e., payment to providers at rates higher than Medicare/Medicaid reimbursement levels)
- Claims processing accuracy
- Duplicate payment errors
- Enhancement of third-party resource utilization

These five areas were used as the major study questions that constitute the heart of this study.

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EXHIBIT I-1

PREVIOUS STUDY PERSPECTIVES

General Accounting Office (GAO) Letter Reports November 1982	. Outgrowth of prior study on government overpayment/duplicate payment for people eligible for more than one Federal program ("dual eligibles") . Focus on IHS/CHS erroneous and duplicate payments . Emphasis on potential savings if IHS adopted a Medicare Rate structure . Use of current HCFA fiscal agents urged as way to eliminate errors, use Medicare rates, and reduce processing costs
President's Private Sector Survey on Cost Control (Grace Commission) Report on Contract Health Service Program of the Indian Health Service October 1982	. Part of overall review of potential cost savings in the Federal hospital management system/focus on cost reduction . Assumption that GAO was correct in its identification of IHS errors and justification for a Medicare rate structure . Use of HCFA fiscal agents urged, along with IHS automation, to eliminate errors and use Medicare rates . Total IHS claims processing costs estimated to increase by approximately 6 percent, however, IHS/CHS staff to be reduced by 160 FTEs
IHS Director's Task Force on Contract Health Services Recommendations for Improved Management of the Contract Health Services Program February 1983	. Review of total scope of IHS/CHS management, including patient eligibility, service priorities, resource allocation and procurement, as well as claims processing . Assumption that issues raised by GAO were valid . Focus on recommendations of changes in CHS policy and procedures . Possible use of one or more fiscal agents seen as one aspect of system-wide improvements

As part of the FY84 IHS appropriations process, Congress took note of the CHS fiscal agent discussion. The House-Senate Conference Committee requested study of CHS claims processing in relation to the FA option, prior to any Departmental action. Subsequently, the Office of the Assistant Secretary for Planning and Evaluation commissioned this study to serve as the basis for the response to Congress.

Appendix A provides an overview and brief description of the IHS Contract Health Service and its claims processing system. Appendix B provides a description of our approach and methodology in addressing the study questions.

II. STUDY FINDINGS

The study produced the following findings concerning the question of shifting the Contract Health Services claims processing function of the Indian Health Service to an external fiscal agent.

Finding No. 1

Administrative efficiency improvements in claims processing are possible and will probably be achieved if the current automation plans continue to proceed satisfactorily.

Finding No. 2

The benefits of a shift of the IHS claims processing function to a fiscal agent, as claimed in recent reports by the GAO and the President's Private Sector Survey on Cost Control (Grace Commission), could not be substantiated.

Finding No. 3

Many of the projected savings result from assumptions about the adoption of different health care financing policies than currently exist.

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Conclusion

A shift in the claims processing function to a fiscal agent would produce little or no savings in expense to the government, could result in increased expense, and would have to be substantiated on grounds other than the cost arguments made in the several reports which suggested such a shift.

It is important to note that the IHS automation plans are proceeding and are not in any way affected by a decision to shift or retain the claims processing functions. The study findings are based on the continuation and effective implementation of that plan.

The study was carried out to answer five basic questions:

1. Claims Processing Costs: Would a fiscal agent yield substantial savings through greater efficiency?

   Our study suggests that no substantial savings would result solely from a shift to a fiscal agent. Greater efficiencies are possible and appear to be in process of being achieved as a direct consequence of the decision to automate the IHS area and service unit offices.

2. Unreasonable Payment Levels: Is a fiscal agent required in order to reduce the payment levels to "reasonable" levels?

   The claim here is that a fiscal agent handling Medicare payments would adopt and use the Medicare fee schedule or equivalent to process and pay IHS contract health care claims, thereby saving money by virtue of the fact that Medicare is a lower fee schedule than that employed by IHS.

   Our finding is that the level of payment adopted by IHS for its CHS reimbursement has no relationship to the use of a fiscal agent. Specifically, IHS can lower payment levels independent of the use of a fiscal agent. IHS is already negotiating lower fee schedules in many areas than it has had in the past, with no fiscal agent. Fiscal agents only pay claims based on fee schedules previously determined by the benefit program.

3. Accuracy Of Claims Processing: Would a fiscal agent produce substantially fewer errors in processing claims?

Most of the errors cited in the GAO report, and later reported upon by the Grace Commission, represent differences of opinion regarding policy rather than errors. In subtracting from the GAO listing those items which represent such policy differences, our study suggests that the actual payment error rate of IHS claims processing is 1.4 percent. That rate is lower than the error rate considered by HCFA to be acceptable for its Medicare fiscal agents. Our conclusion, therefore, is that a fiscal agent would not produce demonstrably fewer errors.

4. Duplicate Payments: Is a fiscal agent required in order to reduce duplicate payments?

Our study suggests that the conversion to an automated system, currently in process in many IHS field offices, will enable IHS to employ the same type of system for avoidance of duplicate payments as other payor organizations. A fiscal agent would not provide substantial improvement to the IHS capability in this area.

5. Third Party Coverage: Would a fiscal agent yield substantially greater third party resources?

Our study reveals that IHS already equals current private sector experience regarding the coordination of benefits from other third-party sources and that

IHS uses the same type of system as private sector fiscal agents. Only in the case of a fiscal agent which has access to State Medicaid records would there be any potential advantage of substance.

A detailed discussion of our findings in each of these areas follows.

CLAIMS PROCESSING COSTS

A. Cost Estimates

The study uncovered a wide range of estimates for the cost of processing claims in the IHS contract health care system. The range covers the following estimates:

- $1 to $2 per claim: One fiscal agent's estimate through a telephone interview as to what IHS might pay if claims payment were contracted out
- $1.40 to $3.00 per claim: Macro estimate of current IHS cost, based on a time/motion study in three IHS area offices and three IHS service units
- $17.53 per claim: Grace Commission estimate of cost to IHS under the Grace proposed system
- $29.70 per claim: HCFA informal estimate of cost to IHS if Medicare fiscal agent(s) were used
- $50 to $200 per claim: GAO estimate of current IHS cost

One of the difficulties encountered in comparing cost estimates is that each of the estimates includes potentially a different set of functions. Macro defined 19 functions that are involved in the processing of Contract Health Care claims. Exhibit II-1 outlines those functions. In a previous body of work, IHS defined a proposed scope of work for a potential fiscal agent contract. The three sets of functions which in the aggregate make up the 19 functions in Exhibit II-1, are derived from this scope of work. The functions 1 through 10 are those functions that IHS would have to continue to carry out whether or

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EXHIBIT II-1

STUDY QUESTIONS	FINDING	COMMENT
CLAIMS PROCESSING: Would a fiscal agent substantially reduce costs?	No	An automated IHS system would be comparable

Claims Processing and Related Functions	Fiscal Agent Functional Model as Defined By Memo	Indian Health Service							
		1. Functions Presently Included in CHS Claims Processing	2. Functions Used in Memo Time/Motion Study	3. Functions Which Constitute the Payment Portion of the CHS Claims Processing (a) (Comparable to FA)	4. Third Party Administrator (TPA) . Generally Processes Claims for Self-Insured Organizations	5. Fiscal Agent (FA) . Blue Shield	6. Crown Commission	7. HCFA	8. GAO
1. Negotiate CHS contracts	Functions To Be Retained By IHS						Functions Undefined		Functions Undefined
2. Register patients (including third party resource (TPR) information)		✓	✓						
3. Authorize medical care via referral form		✓	✓						
4. Determine CHS eligibility and third party resources		✓	✓						
5. Authorize CHS expenditures		✓	✓						
6. Issue an authorization/purchase order		✓	✓						
7. Maintain obligation registers		✓	✓						
8. Maintain patient files (including TPR information)		✓							
9. Review medical priorities		✓							
10. Manage appeals		✓							
11. Review and process updates on obligated funds status	Functions To Be Shared	✓	✓	✓	✓	✓		✓	
12. Review claims for prior authorization, appropriateness of care, and utilization review . IHS--aggregate . FA--individual		✓	✓	✓	✓	✓		✓	
13. Review aggregate claims for information on providers and care		✓			✓	✓		✓	
14. Screen claims for prior authorization	Proposed Fiscal Agent Functions	✓	✓	✓	✓	✓		✓	
15. Check TPR eligibility/coordinate TPR reimbursement		✓	✓	✓	✓	✓		✓	
16. Pay claims		✓	✓	✓	✓	✓		✓	
17. Provide explanation of benefits to provider, patient, and IHS		✓	✓		✓	✓		✓	
18. Provide weekly reports to IHS on obligated funds		✓	✓	✓	✓	✓		✓	
19. Provide management and statistical reports		✓			✓	✓		✓	
COST PER CLAIM TO IHS			$8 (Automated System/Full Cost) - $16 (Manual System/Full Cost)(b)	$1.40 (Automated System/Full Cost) - $3.00 (Manual System/Full Cost) (b)	$13 (Full Cost)	$5 - 10 (Full Cost) (c)	$4 Plus Additional $11.33 per claim to cover IHS functions (interpolated from Crown Commission's data)	$28.78 (d) Assumes IHS adopts Medicare-type rate setting method and FA develops and updates rate profiles	$50 - $100 (e)
METHOD USED TO DETERMINE COST . See Appendix B for details on method			Time/Motion Study	Time/Motion Study	TPA Cost-Estimating Formula	Telephone estimates based on detailed information on CHS claims processing system and characteristics	Gross estimation for IHS cost of personnel and supplies for claims processing	Informal estimates based on HCFA's experience with its Medicare contractors	Telephone conversation with IHS employees

NOTES: (a) When comparing IHS cost per claim to TPA and FA costs, Column 3 should be used to compare to Columns 4 and 5.

(b) . Actual IHS direct labor costs, as determined by the time/motion study, are $4-$8 for Column 2, and $0.70-$1.50 for Column 3, respectively. These costs have been inflated by a factor of 2 for comparability to full cost estimates.
. Lower cost is from automated site, higher cost is from manual site.

(c) This figure represents a "best case" estimate, i.e., what one highly efficient FA has said it might cost under ideal conditions.

(d) It should be noted that $28.78 per claim is HCFA's estimate of cost to IHS. Current Medicare fiscal agent average unit costs are $5.04 per claim for Part A and $2.10 per claim for Part B. Details regarding HCFA's assumptions may be found in Appendix B.

(e) This is GAO's reported estimate of automated and IHS costs. GAO did not specify fiscal agent cost estimates.

not a fiscal agent was engaged. Functions 11 through 13 were defined as functions that would be carried out jointly by IHS and a fiscal agent. The remaining functions 14 through 19 would be assigned to the fiscal agent.

To obtain an independent cost estimate, Macro carried out a time and motion study of IHS claims processing at two service unit sites. The study suggests that Functions 11-19 now cost IHS approximately $1.40 for an automated site and approximately $3.00 for a manually operated site. These functions constitute the payment portion of IHS claims processing, i.e., from the point where a CHS provider sends a claim to IHS for payment through the printing of the check. These functions are comparable to those included in the estimates obtained from the fiscal agent, the third party administrator, and from HCFA. A detailed description of Macro's study and the derivation of IHS costs can be found in Appendix B. In reviews of the GAO and the Grace Commission studies, we were unable to determine the functional basis of their cost estimates.

The fiscal agent estimate obtained by Macro was based on a telephone conversation between Macro staff and one fiscal agent. Macro described the functions to be included in the estimate and the fiscal agent representative provided an admittedly rough cost estimate based on his understanding of the IHS process. The fiscal agent's estimate represents a "best case" example of what might occur were the function to be transferred to a private firm, assuming that IHS would be willing and able to adopt the "universal claim form." We should be clear, however, that this estimate was obtained in the course of a single telephone conversation and does not represent an official bid for IHS business. Were IHS to carry out a formal study under A-76 guidelines and let a formal Request for Quotation, we have no way of knowing the outcome. It is likely that such bids would be cautious and, therefore, higher in price.

The Grace Commission estimate of $17.53 per claim represents a two-part estimate. The Commission understood that there were functions that could not properly be contracted out to the private sector. Their estimate is based on a fiscal agent cost of approximately $6 per claim and approximately $11.53 per claim for IHS costs associated with those functions that could not be carried out by a private contractor.

Although specific functions were undefined, a significant portion of the Grace Commission estimated savings resulted from a projected reduction of 160 Full-Time Equivalent (FTE) positions in the IHS Contract Health Services. Macro could not support this savings estimate because:

- IHS direct care and contract care programs are integrated, therefore many CHS staff perform non-CHS activities;
- IHS would retain many claims processing and related functions;
- The 160 FTE reduction actually exceeds the total number of IHS FTEs allocated to CHS (131.8 FTEs)

HCFA's estimate of $29.70 per claim for a fiscal agent is an informal estimate based on HCFA's experience with Medicare fiscal agents and its understanding of IHS' unique characteristics. HCFA provided Macro with a cost estimate per function for functions 11-19. The major cost factors are as follows:

FUNCTION	COST	ASSUMPTION
Review claims for prior authorization, appropriateness of care, and utilization	$3.50	FA will be using multiple sources and developing utilization review profiles for several locations.
Review claims for rate information	$5.00	FA would set up the reasonable charge mechanism. Additional costs if a DRG system is required.
Check TPR eligibility/coordinate TPR reimbursement	$8.00	Most claims would involve at least one other payor. Would involve contacting all possible payors and tracking eligibility for majority of IHS/CHS patients.
Pay claim	$5.00	Complicated by varied data input formats and documents from both vendors and IHS.
Other	$8.20	

The complete breakout of the HCFA estimate is found in Appendix D.

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GAO estimated IHS' cost per claim at $50-$200. In a conversation with the GAO study analyst, we were told that the GAO estimate was based on telephone estimates provided to GAO by IHS employees at IHS Service Units and Headquarters. The functions included in these estimates were undefined. Macro was unable to validate the GAO estimates.

B. Automation

The effects of IHS automation on claims processing costs are highlighted below:

- Direct labor cost per claim at automated sites(for payment portion of functions) was found to be 50 percent less than at manual sites, based on a time and motion study.
- Further automation will reduce personnel time required for claims processing, thereby freeing up clerical time for performing other functions such as third-party resource coordination. For example, where service units and area offices are automated, a 68 percent decrease in time required to process CHS claims was experienced. This increased productivity enabled the service unit to defer more bills to third-party payors and to increase their overall cost-efficiency.
- The capital and operation costs of automation will be incurred regardless of the fiscal agent decision because IHS is proceeding with automation to improve overall efficiency. Cost to complete IHS automation, system-wide, is approximately $800,000.
- Only part of the $800,000 start-up cost and maintenance costs would be allocated to CHS because automation costs would be spread across the four or five service unit cost centers which would be using the system (e.g., pharmacy, CHS, health records, supply, administration). The percentage of costs allocated to CHS would vary, depending on intensity of CHS at the service unit, however, 30 percent CHS allocation on average could be expected.
- Increased efficiency could be attained through implemention of a more uniform claims processing system throughout the IHS office network.

PAYMENT LEVEL

It has been stated in several studies that IHS pays for contract health care at unreasonable unit cost levels. This study found that IHS can adopt a policy of reimbursement using Medicare or some other type of "reasonable" payment schedule, and that the decision is independent of the fiscal agent option.

Presently, many IHS areas have successfully negotiated discounted rates. For example, in FY84, some IHS area offices established contracts with providers at rates of up to a 35 percent discount. In addition, a legislative proposal to implement a Medicare rate structure for CHS inpatient services has been forward to the Secretary, DHHS.

Savings realized through use of a lower payment schedule could be significant, though not without some downside risks. These risks include:

- Possible loss of providers due to resistance to Medicare rates is a potential problem which may require legislative relief, such as an IHS Medicare "tie-in" to prevent providers from refusing IHS contracts and purchase orders at Medicare rates unless they also forfeited Medicare provider status. Use of a fiscal agent would not affect this resistance.
- Possible liability for IHS patients if providers do not accept assignment and, therefore, attempt to bill the individual Indian for the difference between the Medicare rate and the provider's private pay rate, without a legislative prohibition. A fiscal agent would have no control over the provider's decision as to accepting assignment.
- Possible loss of free service sometimes provided to IHS patients near the end of the fiscal year when CHS funds are lacking.

Implementation of a Medicare-type rate structure is complicated by several factors. First, there is no single uniform Medicare rate but, rather, Medicare rates that vary according to region (Medicare Part A) and local/individual usual and customary profiles (Medicare Part B). Although a few fiscal agents may have the advantage of prior experience in developing such usual and customary rate profiles, commercial software is available which an automated IHS could use just as effectively as a fiscal agent.

Second, many CHS services are not included in Medicare rate data (e.g., dental, pediatric, and obstetric care). Therefore, a Medicare fiscal agent would have no advantage in determining rate structures for many of the IHS/CHS diagnoses. In addition, many IHS patients are expected to be served in rural or single community hospitals outside of the Medicare hospital prospective rate or DRG system.

ACCURACY OF CLAIMS PROCESSING

In our review of the IHS claims processing accuracy, we found that the IHS arithmetic and billing or payment error rate of 1.4 percent, based on the GAO sample of CHS claims, is actually lower than the comparable average error rate of 2.5 percent for HCFA fiscal agents. Most of the "errors" cited by GAO are based on IHS actions in accord with current HHS policies that GAO considered faulty:

- IHS payment of Medicare deductibles
- IHS payment at rates above the Medicare allowance
- IHS payment of the Medicaid spenddown

As in other areas studied by GAO, the decision to select a fiscal agent or leave the function in IHS is largely irrelevant to the issues under discussion. Fiscal agents do not establish fiscal policy, but rather follow that policy which the governing agency establishes. Thus, IHS, in consultation with HHS policy officials, might choose to change some of the policies with which GAO disagreed, but such a decision would be separate from any decision to use a fiscal agent.

GAO states that IHS makes some erroneous payments because it does not adequately coordinate benefits, i.e., ensure that an eligible third-party resource reimburses the CHS provider before IHS pays the claim. The FA option seems to promise no significant improvement to this type of error; the current health insurance industry average savings through coordination of benefits of 5 to 6 percent of dollar claim volume is considerably less than the IHS savings. Based on extrapolation from CHS partial payment data alone, savings resulting from IHS coordination of benefits currently exceeds 20 percent. This estimate is confirmed by data from the IHS Pawnee Benefit Program, where approximately 20 percent of total CHS service costs are reimbursed by third party payors.

DUPLICATE PAYMENTS

Two types of duplicate payment problems have been found generally to be a problem in claims processing:

- Payment of the same claim twice by the same payor
- Payment of the same claim by two or more payors

The GAO report cited examples of duplicate payments of the second type based on data from an earlier GAO study on dual eligibles, i.e., people eligible for health benefits from more than one Federal program.

Our study found that IHS can avoid either type of duplicate payment without use of a fiscal agent. The first type of duplicate payment is easily rectified by implementing an automated duplicate payment screen such as the one used at the IHS Oklahoma City Area Office. Claims are automatically screened for a match on the following data elements:ame patient, same diagnosis, same provider, and same date of service. This system is virtually identical to that used by fiscal agents to prevent paying the same bill twice. To avoid the second type of duplicate payment, IHS uses essentially the same methods that fiscal agents employ: querying the patient and/or provider as to third-party resource eligibility and reimbursement.

To minimize paying the same claim which another payor has already paid, IHS can continue to expand its efforts in areas such as:

- o Patient registration that includes third-party resource information
- o Requirement that CHS providers submit an explanation of benefits (EOB)

or claim denial from a third-party payor before IHS authorizes payment

- Automated systems that print third-party information and instructions to providers to "Bill Third Party First" on the front of the authorization/claim form

All payors face the problem of duplicate payments. The use of a fiscal agent does not provide any substantial advantage to the automated IHS system.

THIRD PARTY RESOURCES

IHS efforts to increase the use of third-party resources in lieu of CHS resources appear to be at least as effective as comparable efforts in the private sector. Previous reports that fiscal agents would increase the use of third-party resources (TPR) could not be substantiated. Salient aspects of the findings on TPR issues are discussed below.

A. Sources of TPR Information

Both IHS and fiscal agents rely on the same sources for third-party resource information:

- Information provided by the patient (e.g., at the time of registration)
- Information provided by the providers (e.g., a copy of the Medicare explanation of benefits)

In order to coordinate benefits for IHS claims, a fiscal agent would be forced to rely on IHS to provide most third-party eligibility information. A fiscal agent would have an advantage only in the following situation:

- Neither IHS nor the provider has information that a particular patient has a third-party resource; and
- The fiscal agent happens also to administer the particular program in which the patient is enrolled.

B. Access To TPR Eligibility Lists

Proposals to use a fiscal agent imply that typical Medicare fiscal agents have automated access to State Medicaid lists. There are, however, only three States with significant CHS volume where the Medicare and Medicaid fiscal agents overlap (Colorado, Oklahoma, and Utah), as seen in Exhibit II-2. In other States, Medicare fiscal agents would not have access to State Medicaid data, unless voluntarily provided by the State Medicaid agency. Because this could result in increased Medicaid costs, States have little incentive to provide such information.

C. Enrollment in Third Party Programs

CHS third-party reimbursements are not likely to increase significantly unless actual enrollment increases in programs such as Medicaid. Fiscal agents do not, as a matter of course, enroll patients in public and private third-party programs.

Our study found consensus that increased enrollment in Medicare will not have significant impact. Only 6 percent of the IHS population has age-related eligibility. Most eligible people are already enrolled and their Medicare coverage is recorded on their IHS/CHS chart.

Based on such indices as the unemployment rate among Indians, it is likely that expanded enrollment in the Medicaid program is possible and would substantially increase the effective resources available to Indians for health care. However, several barriers to such expanded enrollment exist. One barrier is the perception that Medicaid is a welfare program, whereas Indian tribes believe that health care is a right guaranteed under treaty. Other barriers exist. For example, Indian trust lands have been viewed by some States as an asset attributable to the individual, despite legal rulings to the contrary. Such a determination affects the ability of individual Indians to qualify for the Medicaid program based on allowable asset levels.

EXHIBIT II-2(1)

	Medicaid Fiscal Agent	Medicare Carrier
Alaska	Computer Science Corporation	Aetna Life and Casualty
Arizona	McDonnell Douglas Corporation	Aetna Life and Casualty
California	C[illegible]r Sciences Corporation [illegible]rnia Dental Services [illegible] Health Foundation	California Physicians Service Occidental Life
Colorado	[illegible] Cross/Blue Shield of Colorado .	Colorado Medical Service (subsidiary of Blue Cross/Blue Shield of Colorado)
Idaho	EDS-Federal	Equitable Life Assurance Society
Iowa	Systems Development Corporation	Blue Shield of Iowa
Kansas*	EDS-Federal	Blue Shield of Kansas Blue Shield of Kansas City
Michigan	None	Blue Cross/Blue Shield of Michigan
Minnesota	None	Travelers Insurance; Blue Cross/Blue Shield of Minnesota
Mississippi	EDS-Federal	Travelers Insurance
Montana	Hancock Dikewood Services	Montana Physicians Service
Nebraska	None	Mutual of Omaha
Nevada	Blue Shield of Nevada	Aetna Life and Casualty
New Mexico	EDS-Federal	Equitable Life Assurance
N. Carolina	EDS-Federal	Prudential Insurance
North Dakota	None	Blue Shield of North Dakota
Oklahoma	None	Aetna Life and Casualty Oklahoma Public Welfare Commission (the State Medicaid agency)
Oregon	None	Aetna Life and Casualty
South Dakota	None	Blue Shield of North Dakota
Utah	Blue Cross/Blue Shield of Utah	Blue Shield of Utah
Washington	Consultec	Seattle, Washington, Physicians Service King County Medical Blue Shield Medical Services Corporation of Western Washington
Wisconsin	EDS-[illegible]eral	Wisconsin Physician's Service
Wyoming*	None	Equitable Life Assurance

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* IHS does not yet deal with these States.

D. Current IHS/CHS Use Of TPR

Increased use of third-party resources in lieu of CHS resources could result in enhanced services to Indian patients. Recent IHS efforts to promote increased use of third-party resources for CHS include:

- Automated printout of the patient's third-party resource eligibility on the front of the purchase order/claim
- Establishment of an automated patient registration database, including third-party resource eligibility information
- Emphasis on promoting enrollment in third-party programs for eligible patients.

The precise amount of third-party resources currently used in lieu of CHS dollars is unknown, however, some indicators include:

- At least $23.2 million was reimbursed to providers by third-party payors for services to CHS patients in FY82, as extrapolated from IHS/CHS partial payment data
- In FY81, IHS denied CHS resources for services in the amount of $2,174,925 on the basis of alternate (i.e, third party) resource availabilty

Because many IHS facilities benefit from third-party resources that reimburse direct care services. IHS staff at the local level have an added incentive to promote third-party program enrollment and to record TPR data.

IHS is proceeding with full implementation of an automated system regardless of the fiscal agent decision. The potential benefits to be realized through automation will improve third-party resource coordination and positively affect other issues. Anticipated advantages of IHS automation in relation to TPR enhancement include:

- The 68 percent decrease in clerical time required to process CHS claims in an automated site was used to free up time for gathering third-party eligibility information and coordination of benefits
- Automated duplicate payment check and other automated edit checks in relation to potential liability of other payors

- Increased accessibility of patient and provider data files (e.g., patient information)
- Increased productivity and overall management capability via timely and accurate informtion feedback

SUMMARY

Examination of the five study question leads in each case to the following conclusion: a fiscal agent, by itself, would not significantly:

- Reduce costs
- Reduce unreasonable payments
- Improve accuracy
- Eliminate duplicate payments,
- Increase third-party resources

This is not to say that IHS has no room for improvement in these areas. IHS needs to continue to address the issues that have been raised, in particular those related to third-party resources and coordination of benefits. The salient finding of the study is that a fiscal agent would not be a panacea in curing the identified problems.

APPENDIX A(1)

OVERVIEW: INDIAN HEALTH SERVICE/CONTRACT HEALTH SERVICE

The purpose of the Contract Health Service (CHS) program is to supplement IHS direct care as part of the comprehensive health service delivery system. As illustrated in Exhibit A-1, IHS direct care and IHS/CHS programs are integrated with the exception of their program accounts:

- CHS patients are almost 100 percent direct care patients in most locations; CHS services are authorized by IHS physicians in IHS facilities;
- Although some staff positions are assigned exclusively to CHS, most CHS staff are also involved in direct patient care activities, especially at the service unit/facility level;
- Automated systems are used for both CHS and direct care functions.

There are three types of contract care within CHS:

- Tribal contracts ("638" contracts)
- Contracts in support of direct care (e.g., laboratory services at an IHS facility)
- Traditional contract care (private sector services to individual patients): the focus of our study

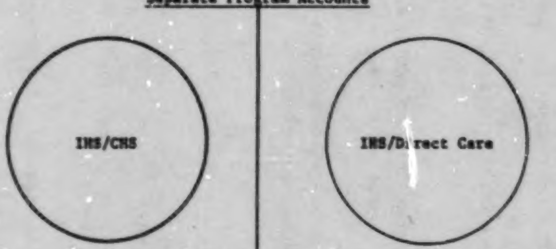
The IHS/CHS system is decentralized through a network of 12 area offices and 82 service units (not including those under tribal contracts). The service units administer programs in 150 IHS hospitals and health centers, as well as approximately 200 outpatient clinics. There are 131.8 FTEs allocated to CHS; 123.8 of these are in the area offices, service units, and facilities where IHS/CHS claims are processed. Eleven of the twelve Area

EXHIBIT A-1

ONE HEALTH CARE SYSTEM WITH SEPARATE PROGRAM ACCOUNTS

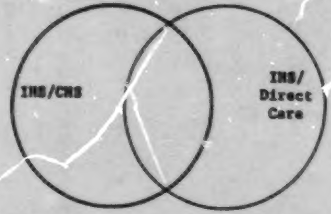
Separate Program Accounts

- Provider bills Medicaid, Medicare, or private insurance for eligible patients
- Provider receives third-party reimbursement directly



- IHS bills Medicaid and Medicare for eligible patients
- IHS receives Medicaid/Medicare reimbursements

Same Patients, Personnel, Facilities, Automation*



* Automated Sites (Present plus those scheduled for automation in FY84)
9 Area Offices
38 Service Units

Offices and approximately 80 percent of the service units are located west of the Mississippi River.

The CHS program requires both medical and administrative fiscal authorization. Prior authorization is required except in emergencies, when authorization must be obtained within 72 hours. The needed service must be unavailable or not readily accessible at the IHS facility, and within current medical priorities. In addition, the patient must be both:

- A resident of the CHS delivery area, and
- A member of the tribe(s) in that area or have close socioeconomic ties to the tribe(s)

Any available third-party resources (e.g., an eligible patient's Medicare benefits) must be used first: IHS is "last payor" for CHS.

Traditional contract care typically accounts for over 85 percent of CHS expenditures and approximately 14 percent of the total IHS budget. For example, in FY82 the total IHS obligation was $638.4 million. Expenditures in the IHS/CHS program were as follows:

FY82 - EXPENDITURES IN MILLIONS

• IHS/CHS	$101.7
• Tribal ("638") Contracts	7.2
• Contracts in Support of Direct Care	5.9
• Traditional Contract Care:	88.6

As illustrated in Exhibit A-2, which highlights data on FY81 CHS, traditional contract care expenditures and claims are concentrated primarily in inpatient and outpatient services: 82.9 percent of total dollars and over 95 percent of the 130,000 claims. These CHS expenditures include full payment as well as partial payment, i.e., when the CHS provider receives partial reimbursement from a third-party payor (e.g., Medicaid) and IHS pays part.

EXHIBIT A-2

IHS/CHS EXPENDITURES AND CLAIMS

EXPENDITURES FY81 FOR TRADITIONAL CHS (IN MILLIONS): $86.1

- INPATIENT $52.8 (61.3%)
- TRAVEL $ 3.7 (04.3%)
- OUTPATIENT $18.6 (21.6%)
- DENTAL $ 5.3 (06.2%)
- OTHER $ 5.7 (06.6%)

IHS/CHS CLAIMS FY81 FOR TRADITIONAL CHS: 180,000

- INPATIENT 63,500 (35.3%)
- TRAVEL 1,000 (00.6%)
- OUTPATIENT 107,600 (59.8%)
- DENTAL 2,300 (01.3%)
- OTHER 5,600 (03.1%)

CHS TRANSACTIONS: 680,000 PER YEAR

- INCLUDES ALL THREE KINDS OF CONTRACT CARE
- INCLUDES MULTIPLE FUNCTIONS IN RELATION TO A SINGLE CLAIM:
  - OBLIGATING THE FUNDS
  - PAYING THE CLAIM
  - ADJUSTING THE AUTHORIZED AMOUNT

APPENDIX A(3)

The basic IHS/CHS claims processing functions may be summarized as follows:

- IHS authorizes CHS based on medical need and eligibility criteria
- IHS issues authorization form/purchase order
- Patient receives service from non-IHS provider
- Provider completes authorization form and submits it to IHS service unit as claim
- Service unit reviews claim for accuracy and appropriateness; staff checks to see that any potential third-party resources have been used
- Approved claims go to Area Office where they are further reviewed for accuracy
- Claims receiving final approval are processed for payment by Treasury Department

A flow chart illustrating IHS claims processing and related functions, as well as assumptions as to how these functions might be allocated if IHS used a fiscal agent, follows as Exhibit A-3.

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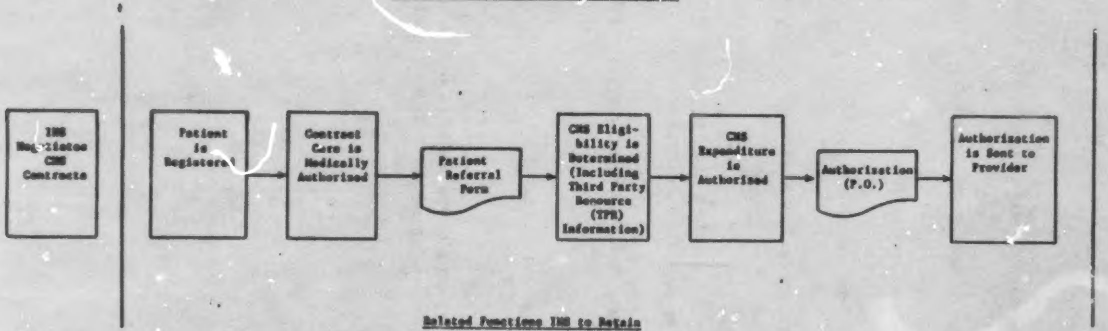
EXHIBIT A-3(1)

IHS/CHS CLAIMS PROCESSING AND RELATED FUNCTIONS UNDER THE FISCAL AGENT OPTION

Claims Processing Functions IHS to Retain


IHS Negotiates CHS Contracts
Patient is Registered
Contract Care is Medically Authorized
Patient Referral Form
CHS Eligibility is Determined (Including Third Party Resource (TPR) Information)
CHS Expenditure is Authorized
Authorization (P.O.)
Authorization is Sent to Provider

Related Functions IHS to Retain

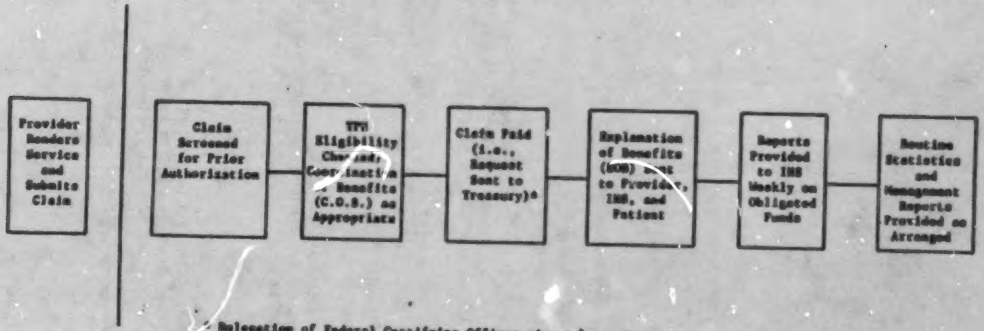
- Maintain Obligation Register
- Maintain Patient Files (including TPR Information)
- Review Medical Priorities
- Process Appeals

Functions IHS and Fiscal Agent Would Share

- Review and Process Updates on Obligated Funds Status
- Review Aggregate Claims for Information on Providers, Rates, and Services
- Review Claims for Prior Authorization, Appropriateness of Care, and Utilization Review
  - IHS--Aggregate
  - FA--Individual

EXHIBIT A-3(2)

Fiscal Agent Functions As Proposed By The IHS Task Force


Provider Renders Service and Submits Claim
Claim Screened for Prior Authorization
TPL Eligibility Checked; Coordination of Benefits (C.O.B.) as Appropriate
Claim Paid (i.e., Request Sent to Treasury)*
Explanation of Benefits (EOB) Sent to Provider, IHS, and Patient
Reports Provided to IHS Weekly on Obligated Funds
Routine Statistics and Management Reports Provided as Arranged

* Delegation of Federal Certifying Officer signature authority necessary for Treasury Department, is unresolved at this time.

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APPENDIX B(1)

METHODOLOGY

Macro's study of IHS/CHS claims processing focused on the examination of the fiscal agent option in relation to the five identified problem areas:

- Claims processing costs
- Unreasonable rates
- Accuracy
- Duplicate payments
- Use of third-party resources

Our approach was designed to identify and review potential solutions to the problems and analyze how these solutions are addressed by use of a fiscal agent.

Throughout the course of the study, there was frequent communication between contractor staff and the Work Group. Telephone discussions and meetings with ASPE, IHS, technical consultant to HRSA, and Macro staff participation were held as needed to provide guidance on the methodology.

1. INFORMATION SOURCES

Macro's examination of the IHS/CHS claims processing system as it relates to the fiscal agent option focused on three types of information sources:

- Studies and related written data relevant to the five study questions
- Interviews with government and private sector representatives
- Site visits to IHS area offices and services units

2. REVIEW OF WRITTEN DATA

Because of the rigid time constraints of this study, i.e., 15 weeks, research efforts concentrated heavily on existing data emanating from HRSA, IHS, GAO, and other government as well as private sector sources. The major data sources utilized are listed below. A complete bibliography of written data follows Appendix B.

- GAO letter reports on IHS/CHS claims processing, including:

-	Code 008	Data Form Used by GAO to Tabulate Erroneous Payment Amounts
-	Code 009	Selected Summary Data
-	Code 010	Selected Summary Data
-	Code 011	Selected Data on IHS Contracts
-	Code 012	Selected GAO Survey Steps

APPENDIX B(2)

  - Code 013 Selected Summary Data on Potentially Erroneous Claims and Payment Amounts from a Prospective Sample of Claims at Selected Service Units
  - Code 014 Estimated Percent of Erroneous Claims by Type of Claim
  - Code 015 IHS Data of Residual (Partial) Payment Claims by Area/Program Office
  - Code 016 Possible Distribution of Erroneous Payments
  - Code 017 HCFA Data given to GAO
  - Code 019 Duplicate Payments Can Occur When Indians are Eligible for More than One Program
  - Code 020 GAO Discussion Paper
  - Letters from Medicare fiscal agents regarding the feasibility of processing IHS/CHS claim

- President's Private Sector Survey on Cost Control Report on: Contract Health Services of the Indian Health Service, Issue PHS-2, October 1, 1982
- Director's Task Force on Contract Health Services Indian Health Service, Report of the IHS Directors Task Force on Contract Health Services as Transmitted by the Director, HRSA, February 1983
- Status Reports on CHS Task Force Implementation Plan, April 1983 through December 1983
- Office of Management, Office of Assistant Secretary of Health Services Administration, Report on the Contract Health Services in the Indian Health Service, 1982
- IHS file information, including:
  - Automation systems plans and implementation reports
  - Contract health services management information services (CHS/MIS) implementation reports
  - General program information
  - Studies of the CHS program
  - Program management improvement papers

  - Claims processing issues papers on legal and administrative issues
  - Claims processing issues papers on fiscal agent functions, including specific descriptions of the proposed scope of work for a fiscal agent(s)
- Health Care Finance Administration (HCFA) file information, including:
  - HCFA discussion papers on IHS claims processing
  - Administrative costs of HCFA fiscal agents
  - Error rates of HCFA fiscal agents

3. INTERVIEWS AND MEETINGS

Personal and telephone interviews with knowledgeable government officials and key private sector representatives provided an abundance of useful information. When interviewing people who were not familiar with IHS/CHS claims processing, Macro provided written and oral descriptive material on CHS claims processing needs and characteristics prior to the interview. For example, fiscal agents were sent detailed flowcharts depicting IHS/CHS claims processing, as well as background material describing the unique processing requirements of IHS/CHS. A list of the people interviewed and the date of the interview follows. Further detail describing the type of information gathered from the interviews can be found in Exhibit B-1.

- Veteran's Administration

11/2/83	C. Ford Heard, III; Nancy Darr, V.A. Procurement for Medicine and Surgery
11/14/83	Mike Lawson, Bob Perrault, V.A. Medical Administrative Services

- Health Care Finance Administration

11/16/83	John Jansak, Director, CPA Harold Bailin, Chief, Operations Analysis Branch Bill Hickman, Director, Division of Operations Bob Scogna, Budgets Contractor Samuel Walman, Program Analyst Phil Hooks, Procurement Specialist
1/30/84	John Jansak
2/2/84	Harold Bailin
2/3/84	William Zavoina, Program Analyst
2/10/84	William Zavoina, Sam Walman, Mary Anne Durham, Gary Kavanagh

APPENDIX B(4)

- **GAO**

12/6/83, 1/20/84	Keith Martenson, Evaluator-in-Charge of IHS Investigation

- **Grace Commission**

1/24/84	Mike Wulff, Manager of Purchasing Programs, Union Texas Petroleum

- **Health Resources and Services Administration**

12/5/83	Ronald Carlson, Associate Administrator, OPEL/HRSA
12/14/83	Edward Martin, Director, Bureau of Health Care Delivery and Assistance

- **IHS Headquarters**

11/4/83, 11/15/83, 11/28/83; 1/9/84, 1/24/84, 1/31/84	James-Mitchell, Chief Contract Health Service Branch
11/15/83	Robert Thurmon, Chief, Health Care Administration Branch
11/4/83, 11/15/83	John Hammond, Health Economist, Contract Health Services Branch
11/17/83, 1/11/84	Steve Kauffman, Chief, Inpatient Care Branch, Division of Resource Coordination

- **IHS Area Offices and Service Units**

11/18/83	Tucson	Bill Mason
11/21/83	Phoenix	Cliff Wiggins
11/30/83	Albuquerque	James McArthur
12/7/83	Oklahoma City	Terry Rice, Roy Driscoll John Harlowe
12/7/83	Pawnee Service Unit	Bob James, Bill McKee
12/7/83	Navajo	Sid Gillson
12/9/83	Gallup Indian Center	Nedra Banton
12/20/83	USET	Dr. William Betts; Carl Love
12/21/83	Aberdeen	Dan Madrano
1/10/84	Bimidgi	George Lefebvre

- **Medicare Fiscal Agent**

1/4/84, 1/10/84

- Third Party Administrator

  1/10/84, 1/1[illegible]

- Railroad Retirement Board Fiscal Age[illegible]

  3/2/84

3. SITE VISITS

Macro Systems staff visited IHS area offices and service units to obtain firsthand information on the operations and procedures of IHS/CHS claims processing and to help determine, through interviews with key figures, the feasibility of using a fiscal agent to alleviate problems related to the five study questions. Because the Macro study analyzes the relative ability of a fiscal agent to resolve the problems cited as compared to an automated IHS system, Macro visited the Oklahoma City Area Office and the Pawnee (Oklahoma) Service Unit, where the prototype CHS/MIS system is currently in operation. Other sites visited included Aberdeen and Bimidgi. The following objectives were accomplished through these site vists:

- Observe automated area office and service unit in prototype context
- Revise model of the IHS claims processing system
- Refine IHS interview guide based on feedback from area office and service unit personnel
- Collect information about the capabilities of the automated system in relation to the five study issues
- Collect data generated by the automated system
- Refine time/motion study design by specifying activity clusters to be timed

4. METHODOLOGY OF THE TIME/MOTION STUDY

Initially, preliminary functional models for IHS/CHS claims processing were developed through analysis of existing data and interviews with IHS central office staff. These were modified through telephone interviews with CHS claims processing staff at the following sites:

- Oklahoma City Area Office (automated)
- Pawnee Service Unit (automated)
- Navajo Area Office (manual)
- Gallup Indian Medical Center (manual)
- Phoenix Area Office (automated)
- Tucson Ara Office (automated)
- Sells Service Unit (automated)

APPENDIX B(6)

Site visits to the Oklahoma City Area Office and to the Pawnee (Oklahoma) Service Unit provided Macro with firsthand observations of IHS/CHS automated claims processing systems. During the site visits, functions were refined and divided into activity clusters which would lend themselves easily to time/motion studies. Comparable and parallel manual activities for each function were described and other verified by the manual area office and service unit participating in the study.

The following claims processing activities clusters were timed:

- At the service units:
  - Determining eligibility—establish a patient chart and register the patient
  - Appropriateness of service—fill out top of referral form, approve service, give special instructions for services, and check alternative resource eligibility
  - Authorization process—type or key information from referrals, generate payment document, sign, mail to providers
  - Payment process—claims have been completed by the provider and returned to the service unit. Claims are now checked for actual services and charges compared to authorized services and charges, utilization of third parties, diagnosis, length of stay, and physician signature. Claims are assigned diagnostic codes.
- At the area offices:
  - Mailroom activities—statistical sampling
  - Voucher auditing—review all claims for signature, diagnosis, date, and price listed. [illegible] includes checking contract, comparing to length of stay, checking for authorized vs. excluded charges
  - Generating payment tape—automated sites only. Comparable activities timed at manual sites.
  - Data processing hard copy generation—automated sites only. Comparable activities timed at manual sites
  - Reconciliation of hard copy payment document with source document—automated sites only. Comparable activities timed at manual sites.
  - Data processing runs magnetic tape and brings to finance—automated sites only. Comparable activities timed at manual sites.
  - Type 1166 schedule
  - Certification for payment
  - File paid vouchers

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6. BRIEFINGS

An Interim Report summarizing findings in these areas was presented in the following briefings:

• January 30, 1984	Everett Rhoades, M.D., Director, IHS Ronald Carlson, Associate Administrator, OPEL/HRSA Jim Mitchell, Chief, CHS Branch of IHS Senior IHS and OPEL staff
• February 3, 1984	John Kelso, Deputy Administrator, HRSA Dr. Rhoades Jim Mitchell Senior IHS and HRSA staff
• February 13, 1984	Edward Brandt, M.D., Assistant Secretary for Health Dr. Rhoades John Kelso Jim Mitchell Senior IHS, HRSA and ASPE staff
• February 24, 1984	Robert B. Helms, Deputy Assistant Secretary for Health Policy Senior ASPE staff

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- Code 008 Data Form Used by GAO to Tabulate Erroneous Payment Amounts
- Code 009 Selected Summary Data
- Code 010 Selected Summary Data
- Code 011 Selected Data on IHS Contracts
- Code 012 Selected GAO Survey Steps
- Code 013 Selected Summary Data on Potentially Erroneous Claims and Payment Amounts from a Prospective Sample of Claims at Selected Service Units
- Code 014 Estimated Percent of Erroneous Claims by Type of Claim
- Code 015 IHS Data of Residual (Partial) Payment Claims by Area/Program Office
- Code 016 Possible Distribution of Erroneous Payments
- Code 017 HCFA Data Given to GAO
- Code 019 Duplicate Payments Can Occur when Indians are Eligible for More Than One Program
- Code 020 GAO Discussion Paper
- Letters from Medicare fiscal agents regarding the feasibility of processing IHS/CHS claims

U.S. Government, General Accounting Office, "Use of Fiscal Intermediaries to Process and Pay Indian Health Service Contracts--B-210545-O.M.," June 6, 1983.

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APPENDIX C(1)

IMPLEMENTATION ISSUES

There are several implementation issues which will have an impact on the potential solutions for improving IHS/CHS claims processing. Although a full examination of these issues is outside the scope of this study, their identification may be helpful to the Department in its further analysis of IHS/CHS claims processing. Some of the implementation issues will need to be addressed regardless of the decision on the fiscal agent option; others are closely associated with a particular option.

1. IMPLEMENTATION ISSUES ASSOCIATED WITH USE OF A FISCAL AGENT

- Legislative authority:
  - IHS currently lacks legislative authority to contract directly with a fiscal agent.
  - IHS lack of this authority has been interpreted to preclude use of HCFA's contracting authority based on Economy Act requirements.
- General fiscal agent considerations:
  - The relative advantage of using one versus many fiscal agents requires further analysis, particularly regarding grouping of geographic areas and administration costs.
  - Estimated IHS/CHS claims volume of 180,000 per year is less than one-third of estimates used in previous studies. This may have extensive implications for procurement, e.g., number and type of interested contractors and cost bids themselves.
  - The standard IHS procurement process might not yield contracts comparable to the best case estimate.
  - Various factors affect the ability to use a fiscal agent associated with (1) IHS patients with no Social Security number or equivalent unique patient identifier; (2) IHS use of its own claims form; (3) communication links with local units in relation to obligated funds status; (4) overall automated system compatibility.
  - It is not clear whether recent interpretations as to IHS eligibility to receive enrollment information from State Medicaid agencies could extend to private sector fiscal agents.

- Use of HCFA fiscal agents:
  - Medicare Part A fiscal intermediaries and Part B carriers (i.e., fiscal agents) may or may not be interested in IHS business.
  - Most Medicare fiscal agents would have to make extensive claims processing modifications due to lack of similarity between IHS contract care and Medicare programs, e.g., only a very small percentage of Medicare claims involve any coordination of benefits.
  - Under IHS use of a Medicare-type rate structure, HCFA fiscal agents would still not have established Medicare rates for many IHS/CHS services, e.g., maternity care.

2. IMPLEMENTATION ISSUES ASSOCIATED WITH IHS RETENTION OF CLAIMS PROCESSING

- Automation impact:
  - Projected costs of $800,000 to complete automation equipment purchases are partially dependent on funds not yet appropriated.
  - Automation expertise is not evenly distributed throughout the IHS/CHS system; some areas do not currently have data processing specialists.
  - Training programs to implement automation systematically and uniformly throughout IHS have not been developed.
  - Software to implement potential changes, e.g., adoption of a rate-setting system, has not been identified.
- Patient registration:
  - The IHS patient registration system currently being implemented does not include a unique patient identification number.
  - Issues related to registration of all IHS eligible patients, comparable to enrollment in an insurance program, remain unresolved.
- Coordination of benefits:
  - Not yet assessed are recent IHS efforts to improve coordination of benefits such as the directive requiring that CHS claims involving third-party resources must be processed with receipt of an explanation of benefits or claim denial from the provider.
  - Reminders to CHS providers to bill any available third-party resource, now used in some automated sites, could be extended throughout the system. Exhibit C-1 is a sample claim form illustrating this reminder.

PURCHASE ORDER FOR
CONTRACT HEALTH SERVICE OTHER THAN HOSPITAL INPATIENT OR DENTAL

EXHIBIT C-1
3-041-04117

:-C01 505613   IHS # : 00^^14
NCA CITY   OK 74601
/06/07 1 102 901 431-34-40

PAWNEE INDIAN HEALTH CENTER
PAWNEE, OKLAHOMA 74058
50-54-11

JACK ALEXANDER MD
804 FAIRVIEW
PONCA CITY OK 74601
IP 2-457261595

NOV 28 198
NOV 14 19

EASE BILL THIRD PARTY FIRST

CARE X   MCAID

524756   254D

Cynthia Boone

09/16/83 9/26/83 $****30.00

NDER: If it is determined to be medically necessary to incur expenses in excess of the estimated charges: FIRST CONTACT THE ORDERING OFFICIAL. READ INSTRUCTIONS ON REVERSE OF ORIGINAL AND 4TH (PROVIDER) COPY. PAYMENT OF EXCESS CHARGES ARE NOT AUTHORIZED HEREIN.

-83		x	420		Urethral stricture	X				24.00
					Urethral dilation					
			823		UA					6.00
					11-7-83 Medicare paid					20.00

11-83 Ret'd to vendor for signature.

INDICATE IN PROPER BOX
(1) INCOMPLETE
(2) COMPLETE
(3) BOOSTER

TOTAL CHARGES TO IHS
10.00

COMPLETE FOR MATERNAL HEALTH SERVICE

hereby certify that the above described services are provided.
Jack Alexander MD   11-10-83

PAYMENT IS HEREBY AUTHORIZED.
Cynthia Boone   11-29-83

FULL PAY ☐   PARTIAL PAY ☒

ORIGINAL

FINANCE

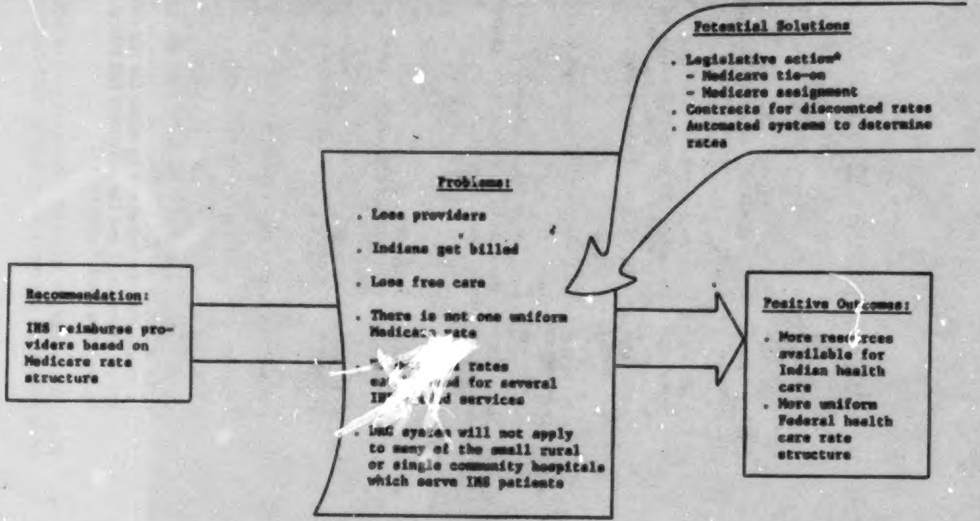
BEST COPY AVAILABLE

3. IMPLEMENTATION ISSUES INDEPENDENT OF THE FISCAL AGENT DECISION

- Risks associated with setting CHS reimbursement rates at levels comparable to Medicare or Medicaid, as illustrated in Exhibit C-3, need to be addressed.
- Lack of access to external third-party resource information affects coordination of benefits savings.
  - Numerous potential third-party resources in addition to Medicare, Medicaid, and private health insurance, e.g., accident and casualty insurance, Crippled Children's, Black Lung, Veterans Administration, CHAMPUS, Workmen's Compensation, etc., are potentially relevant.
  - No centralized database currently exists to check eligibility across all programs.
  - There may be considerable State resistance to sharing Medicaid enrollment information in their attempt to prevent additiional cost shifts to the States.
- Tribal concerns:
  - Attempts to change IHS policies and procedures are sometimes perceived as movement toward program termination.
  - There are concerns that cost of private insurance for Tribal employees will increase, if used frequently as an alternative to CHS.
- Patient liability concerns may arise in conjunction with:
  - Providers billing Indians directly when third-party reimbursement is delayed.
  - Consideration of mandate that IHS reimbursement for CHS patients under a Medicare-type structure be considered payment in full, i.e., to ensure that the Indian not be billed for the difference between IHS reimbursement and the provider's full billing rate, comparable to Medicare Part B assignment.
- Eligibility barriers to Medicaid enrollment such as Indian trust lands being counted as a personal asset despite legal rulings to the contrary.

EXHIBIT C-2

STUDY QUESTION	FINDING	COMMENT
Unreasonable Payments: Would a Fiscal Agent significantly reduce unreasonable payments?	No	IHS has authority to impose a Medicare rate structure.



Potential Solutions

- Legislative action*
  - Medicare tie-on
  - Medicare assignment
- Contracts for discounted rates
- Automated systems to determine rates

Problems:

- Lose providers
- Indians get billed
- Lose free care
- There is not one uniform Medicare rate
- [illegible] rates [illegible] for several [illegible] services
- DRG system will not apply to many of the small rural or single community hospitals which serve IHS patients

Recommendation:

IHS reimburses providers based on Medicare rate structure

Positive Outcomes:

- More resources available for Indian health care
- More uniform Federal health care rate structure

* Current legislative proposal sought by HHS partially addresses these concerns.

HCFA COST ANALYSIS

CLAIMS PROCESSING AND RELATED FUNCTIONS	REQUIREMENTS	UNIT COST
11. Review and Process Update on Obligated Funds Status	- Set Up Accounting System - Process Actions to Systems - Take Actions Necessary to Reconcile Differences - Prepare Reconciliation Report and Project Funds Availability for Remainder of Fiscal Year	$ 1.00
12. Review Claims for Prior Authorization Appropriateness of Care, and Utilization Review (Manual Operation)	- Develop Utilization Profile - Maintain Utilization Profile - Update Profile - Reconcile Identified Problems	$ 3.50
13. Review Aggregate Claims for Information on Providers and Rates (If They Have Rate Schedules)	- Develop Reasonable Charge System - Design Edit System	$ 5.00
14. Screen Claims for Prior Authorization		$ 0.50
15. Check TPR Eligibility/Coordinate TPR Reimbursement	- Identify Potential TPR Sources - Establish Eligibility if Necessary - Coordinate Benefits - Reconcile Records - Modify IHS Referral System - Reconcile and Manage Collection and Redisbursements of Funds	$ 8.00
16. Pay Claim	- Review Bill - Data Entry - Computer Usage - EDP System	$ 5.00

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CLAIMS PROCESSING AND RELATED FUNCTIONS	REQUIREMENTS	UNIT COST
17. Provide Explanation of Benefits to Provider, Patient, and IHS	- Prepare Separate EOMBs Because of Specialized Informational Requirements of Each Recipient	$ 1.20
18. Provide Weekly Reports to IHS on Obligated Funds	- Develop Reporting System - Update and Maintain Reporting System - Manage Letter of Credit Arrangement with Contracted Bank(s) - Reconcile Accounting Systems - Provide Weekly Accounting Reports	$ 3.00
19. Provide Management and Statistical Reports		$ 2.50
	TOTAL COST	$ 29.70

Prepared by: HCFA/BPO 2/21/84

Senator **Melcher** Now, first of all, let us get into something that we seem to have to discuss every year. Once again this year, IHS is proposing to eliminate programs that provide health care services to urban Indians. Now, this has been a several-year effort to zero out the urban programs.

Is this supposed to indicate that this is Government policy, or at least the policy of this administration, that there is no Federal responsibility to provide health care for Indians who live in urban areas?

Dr. **Graham**. I think the way that I would characterize the rationale behind that portion of the budget is that in a time of reduced Federal funds available for human services programs, that the priorities that have been determined for the IHS are to allow the Service to provide clinical services as a first priority for those Indians on or near reservations; and that there is a feeling that for potential Indian individuals or Indian beneficiaries who live in urban areas, there are other resources, other sources of health care services, available to them, both public and private, that are not available to Indian individuals on or near the reservations.

The highest priority is in preserving the clinical capacity on the reservation and, therefore, the request for no additional support for the urban programs.

Senator **Melcher**. That is not a long answer. Congratulations, doctor, I appreciate that. I have been here 15 years in Congress, and all of that except two was on the committees that had oversight over Indian Health Service. So I have been hearing that answer, and yours is the shortest one I have had of those 13 years, but it is the same answer, during these times of attempting to curb budget expenditures. So for 13 years, at least, we have been getting "During these times."

But my question is broader than that. What is the policy? Is the policy going to be that we are going to just give that brief answer? My question is broader. What is the policy, under the trust responsibility, under the legal obligation of the Federal Government, on Indian health care for urban Indians? Is it to do nothing and say that they should seek whatever remedies there are in other programs if you need some help? Is that the answer? Is there a Federal responsibility? That is what I am asking.

Dr. **Graham**. I suspect the answer that you will have received for that question might vary depending upon who, within the administration, you spoke with and what those individual views might be.

However, in terms of policy, I know of no fairer way to represent policy than the budget which the President submits to the Congress, and in that budget, the rationale is not that the urban programs have been ineffective but that simply higher priorities dictate that funds be used for the clinical care of Indians on or near reservations.

Senator **Melcher**. Well, as I said, that has been the same answer that has been given, and it skirts the issue of whether there is a responsibility.

Now, I do not think we are going to zero them out. Have we ever zeroed them out in the last 5 years?

Mr. **Alexander**. No.

Senator **Melcher**. So we are not going to zero them out, probably.

Well, let us go on. We cannot pursue philosophy or court cases all morning, can we? You know, if it were zeroed out, it might make a very interesting case to establish in court what the legal responsibility is, which would then become clear policy. But the Congress feels there is a policy determination there that should be made by Congress, and which we have made, and I suspect we will do the same. We will not allow it to be zeroed out. We will do the best we can for urban Indians.

I think a problem does exist. I think, whatever programs there are, there are some that fall through the cracks and some Indians that fall through the cracks, and if it were not for some assistance from IHS, they would not get any assistance at all in health care matters.

Consistent with the President's Indian policy statement, your prepared testimony states that Indian Health Service will continue to assist the tribes to assume the responsibility for health services through Public Law 93-638 authority.

Now, you are not requesting any funds at all, none at all, for the tribal management program, which is a program that is set up specifically to help tribes develop the capacity to contract IHS programs. So it seems to me that this is in contradiction to the President's policy. How do you plan to assist the tribes in achieving self-determination regarding IHS if there is nothing in there specifically for that program?

Dr. **Graham**. There are some details of what the IHS does day to day in this area that I would like Dr. Rhoades to respond to more fully.

What I would say as a general response is that although we are not requesting any funds specifically for the purposes of tribal management, the development of that capacity, there is a tremendous amount of technical assistance and support which is carried out and can be carried out by IHS staff which will still be present as a result of this budget.

Everett, could you go into a little more detail about what already is done, aside from tribal management, to assist the tribes in their development?

Dr. **Rhoades**. I do not have anything to add to Dr. Graham's answer.

Senator **Melcher**. Would that be at the area office level or where?

Dr. **Rhoades**. Yes, that might be at the area office. It might be in the headquarters office, where we do have a staff that devotes their time to the specific problems of 638 contracting with tribes. And it also may take place at the service unit level which is the most local.

Senator **Melcher**. Oh, right on the reservation.

Dr. **Rhoades**. Yes, sir.

Senator **Melcher**. Has any tribe ever used that sort of help to develop contracts for IHS programs?

Dr. **Rhoades**. Yes, sir.

Senator **Melcher**. What is an example?

Dr. **Rhoades.** Oh, I do not know that I could give you a specific example at this moment. Reaching back into my own experience on the tribal council in Oklahoma, we consulted, in preparation for 638 contracting, with Indian Health Service officials in the local hospital at Lawton service unit in Oklahoma, as well as at the area office.

Senator **Melcher.** We will look at what has been done before, specifically on that. I really have not been familiar with tribes consulting with IHS, either on the service unit level or at the area office level or headquarters.

Dr. **Rhoades.** We have a group in headquarters called the Division of Indian Resource Liaison that specifically responds to requests, both from the tribes and from area offices, in questions relating to the 638 process. They have actually gone to the field. They have visited Oklahoma; they have visited Alaska; they have visited California. Although the numbers of responses that they can make are somewhat limited by the staff—we have a small staff—they are very active in that particular process of 638 contracts.

Senator **Melcher.** I want to get into preventive health. Dr. Graham, you are saying that the primary focus of Indian Health Service is the provision of preventive health services through community-oriented approaches. But then there is the large reduction of almost $30 million for preventive health care programs. This seems to be a contradiction again.

I like preventive health. Everybody does. Everybody admits that those are the best dollars we spend on any health matters. And yet there is a $30 million reduction in your budget proposal for preventive health. How can that be justified?

Dr. **Graham.** The primary reduction in this area is through the proposal that the Community Health Representative Program not be funded any longer, be zeroed out, and that is approximately a $26 million reduction.

Again, the rationale behind that is that as an activity which is not as directly related to clinical activities, the CHR Program should be discontinued in fiscal year 1985. That is the primary reason for the reduction in the preventive line.

Senator **Melcher.** Doctor, the only rationale that is conceivable to me for IHS to give lipservice to preventive health and then asking that Congress eliminate CHR's, the only rationale that I can think of for that would be a calculated risk, sort of like a crapgame. You think you are not going to roll a seven on the next roll of the dice, so you bet on yourself and assume that Congress is going to put the money back in; assume that you will get the same amount of money that is in your budget plus the amount that Congress will insist be available for CHR as an add-on to your budget.

You cannot want to have preventive health measures on a community-oriented basis and eliminate community health workers who are the first line of preventive health care on the reservation.

Can you respond to that?

Dr. **Graham.** I can respond, at least in part. Certainly the priorities which we are discussing with you, which programs will be funded and which programs may not be funded are difficult ones for us. We recognize the needs of the Indian people, and we recognize that within times of limited budget availability, inevitably, one has to make choices. They are not pleasant choices for us.

Whether or not the budget, which has been presented to you on the part of the President, is a budget which has been crafted with the hope or the intent that Congress is going to add money back in, I would have to say, based upon my conversations with representatives of the Office of Management and Budget, that it is neither their intent nor hope that those funds be supplemented.

So I do not think that you are facing a conscious strategy—a Washington monument strategy, if you will—in the budget. I think this does reflect very accurately the priorities in terms of the IHS activities which are a reflection of the President's priorities.

Senator **Melcher**. Well, let me pose the question a different way, then. If the Office of Management and Budget would say to you, "Doctor, we are going to allow you to have $30 million more than what you have"—I know you have never experienced that—but let us suppose——

Dr. **Graham**. Not in recent memory.

Senator **Melcher**. Not since there has been an Office of Management and Budget.

But if they said that, what would you say about CHR's then? Would that be your first priority?

Dr. **Graham**. I would have to say that that would be a priority which I believe Dr. Rhoades and I would give very serious consideration. I would not want to presume that given an appearance as if by magic of $30 million, it would all go to CHR's or that it would go to CHR's first. I think you recognize in this budget there are a lot of strong and competing priorities, all of which have very legitimate calls on additional resources.

Maybe the way I should answer the question is, in terms of budget formulation, what is presented to you here is a reflection of difficult and painful choices. It is not a reflection or the judgment of myself, Dr. Rhoades, or, to the best of my knowledge, anyone in the Department of Health and Human Services that the CHR Program, or the Urban Program, or the tribal management programs, are ineffective, but simply a judgment that in a time of restrained resources, that our first priority must go to the maintenance of the clinical capability of the IHS.

So if we had $30 million, I think there would be another series of very tough choices. The CHR Program is not one that we are representing as ineffective.

Senator **Melcher**. I think it is fair to say that Congress has assumed that preventive health indeed is very good and that it begins, in many instances, with the services of CHR's, and that the reason it is very good is it saves the people from the misery of getting sick. That is number one, but second, number two, it saves a lot of money at the very clinics you are talking about and the very hospitals we are dealing with.

I think that maybe what is called for here at last is, let us have somebody else look at this and advise us on how significant it is and whether indeed Congress is correct in assuming that it is a very good program, and that it does save money in the long run, and a great deal of money, and ask for a General Accounting Office study on the matter of CHR's.

I think, of course, we will do that. I at least will, and I think others on the committee will join me in asking for this General Accounting Office study. Of course, they will be contacting you, Dr. Graham, and going to the field, also. We will insist that they go right out in the field, too, because they cannot get the answers to these sorts of problems by just visiting with people in Washington. This is where you have to go to the field and view some on-site CHR actions and activities and make a broad assessment of how important they are and find out whether Congress is correct in saying that CHR's must be maintained.

I have suspected myself that we have been short-shrifting them. I do not think we have ever appropriated enough money for them during the past 5, 6, or 7 years, and I think they are now at a point of—I guess it is all right to use this term—expertise, a point of effectiveness, to where an assessment of how much good they do might be a very, very significant amount of money. In other words, what do we generally put in for CHR's, $25 million? How much? It was $26 million last year. I think perhaps a good assessment of that might reveal that $26 million or $30 million invested now, $35 million invested now, may be a total saving of not $25 million or $30 million; it may build and be able to demonstrate that it is a likely saving of $50 million a year, that type of use of preventive health.

So I think it is time to get a good outside study of this. Sometimes these General Accounting Office studies are excellent, sometimes they are mediocre, and sometimes they are worthless. But I think if we set up the right criteria for the study, we can get a very detailed and valuable study, and it could be completed during the next 8 to 10 months, perhaps sooner, but I judge that it would take about that length of time, and we can be better advised whether Congress is correct that that program is a real saving of money in the long run, a real worthwhile investment in health care, and pursue it from that in our dealings next year.

But I am going to assume right now that we are not going to allow CHR's to be zeroed out; we will put in the money.

There are no funds requested in this budget for hospitals and clinics. How do you plan to complete construction on those hospitals or clinics that are already under construction? What are you going to do with them? You cannot just leave them standing there. What plans do you have? For one under construction, are you going to finish it or not? Or for one under renovation or modification and you have the contract out, are you going to finish it or not?

Dr. **Graham**. Dr. Rhoades has a fairly detailed table on this. I would like him to respond to it. It turns out that of the number of hospitals and clinics we have under construction, all of them are funded a little differently. I think there would be relatively few instances where we would have an incompletion because of this request.

Senator **Melcher**. There will be some incompletions?

Dr. **Graham**. I believe there are at least two, as I recall, Kanakanak and Crownpoint. The others that are presently under construction or renovation because of prior funding in either fiscal year 1984 or previous years would be able to be completed even though we are not requesting any funds in fiscal year 1985. But Kanakanak and Crownpoint we would not be able to complete.

Senator **Melcher**. You say there are one or two that will not be completed that would have been otherwise. Where are those two?

Dr. **Graham**. Kanakanak, Alaska, and Crownpoint, NM.

Senator **Melcher**. Do you have a detailed listing of the various clinics and hospitals now under construction or renovation?

Dr. **Rhoades**. Yes, sir.

Senator **Melcher**. Could you submit it for us?

Dr. **Rhoades**. Yes sir.

Senator **Melcher**. Then we will examine it along with you.

[Subsequent to the hearing the following information was supplied for the record:]

IHS FACILITIES IN CONSTRUCTION PROCESS

[In thousands of dollars]

	Action	Funds available		Additional required		Status
		Design	Construct	Design	Construct	
Hospitals:						
Crownpoint, NM	Replace	875	7,976	0	9,064	Design complete May 1984.
Sacaton, AZ	do	830	361	0	17,346	A/E Contract approval April 1984.
Rosebud, SD	do	932	316	0	9,740	Public Law 93-638 Contract signed April 1984.
Kanakanak, AK	Modernize	1,259	9,665	0	5,490	Design complete June 1984.
Pine Ridge, SD	Replace	1,360	0	0	23,580	Gathering 1983 workloads so program information document can be revised.
Anchorage, AK	do	2,000	0	3,240	103,160	Awaiting PID approval.
Browning, MT	Modernize	610	15,355	0	0	Construction 5 percent complete.
Sells, AZ	Minor modernization.					Renal dialysis clinic design complete March 1984.
Clinics:						
Anadarko, OK	New					Completed March 1984.
Tsaile, AZ	do					Approximate, 90 percent complete.
Huerfano, NM	do					Approximate, 85 percent complete.
Fort Thompson, SD.	do	200			2,800	PID being revised (minimum staffing level).
Kyle, SD	Replace	200			3,560	PID being revised (minimum staffing level).
Wagner, SD	do	360			5,040	Issue of retaining inpatient not resolved.
Wolf Point, MT	do	200			3,525	PID being revised (minimum staffing level).

Senator **Melcher**. What plans do you have for hospitals where the planning and design funds have been released and they have already spent the money? We have gone through this so often. You get started on something and then let it roost without any followup money, and you have to almost start over again if you let it go a couple of years.

Dr. **Rhoades**. We do not believe that there are any in the present fiscal year, Mr. Melcher.

Senator **Melcher**. But if there were, they would be on your list there?

Dr. **Rhoades**. Yes, sir.

Senator **Melcher**. We will examine that with you.

How about the INMED Program, the five masters in public health programs, and the health professions recruitment program? Again, do you expect us to add some money on and argue that you are just ignoring something we have to do?

Dr. **Graham**. I think, with Dr. Steele being here, she certainly is in a better position than I to talk about the accomplishments of the INMED Program to date.

The budget proposal again is a reflection of the priorities that you and I discussed a few moments ago. We are not suggesting that the INMED Program has not been effective. In reaching a set of priorities that we felt would provide the maintenance of the clinical care services to those individuals on or near reservations, the priority for the INMED Program did not require that it be continued in funding.

Senator **Melcher**. What do you say, Dr. Steele?

Dr. **Steele**. INMED is my top priority. That has been my life for 10 years.

Senator **Melcher**. Good for you.

These Indian students in the INMED Program, they stick with it, do they not, just as good as they would if they were non-Indians in other med schools?

Dr. **Steele**. The dropout rate, according to the AAMC, for Indian students nationally is about 12 percent. Now, there are some more recent studies MacDougal has done, but I could not get hold of those. But it has been about 12 percent nationally for Indian students. It is only about 1 percent for nonminority students and from 5 to 6 percent for Chicanos and black students.

Our dropout rate over a 10-year span was about 5 percent. Since March 1980, we have not lost one student.

Senator **Melcher**. Since 1980?

Dr. **Steele**. Since 1980. We had one student transfer from medical to clinical psychology, Ph.D. Program, but as far as a dropout in the medical school, we have not lost one since March 4, 1980. We had one transfer.

Senator **Melcher**. That is pretty good. Congratulations.

Dr. **Steele**. Thank you. I do not know what is happening this semester, but that is where we have been.

Senator **Melcher**. One of your students is my nephew.

Dr. **Steele**. Louie Gilbert?

Senator **Melcher**. I am not going to tell you.

Dr. **Steele**. Oh; I was hoping it was Louie Gilbert. He scored in the 95th percentile on the national boards, and he is a Montana student.

Senator **Melcher**. Well, he is not from Montana. I am not going to tell you what his name is or where he is from.

He is doing very well so far, and I want to keep him doing very well, and he can remain a mystery to you, Dr. Steele.

But it goes without saying we are proud of him, and we hope he remains successful in staying in the program and indeed does receive his medical degree as a graduate.

I have a lot of questions that I am going to submit on various matters that are in the IHS budget. We would like to have just a normal, logical time to get back with answers.

Now, we asked some questions on the construction of water and sanitation systems in last year's budget oversight hearing and we just got the answers today. You know, that is a whole year. That sort of handicaps us. Now, there is no reason for that, doctor.

You know, this is a process we are going through. We have got to have a budget report available for the Budget Committee within less than a month, 3 weeks, March 15—I believe that is about 3 weeks or less. Now, we would like to have these answers in 10 days.

Dr. **GRAHAM**. Mr. Chairman, we will do everything that we can to prepare those answers and get the necessary clearances and get them to the committee in as expedited a fashion as we can manage.

Senator **MELCHER**. We are just going to have to have them, because if we are going to make the budget process a meaningful process in Congress, we are going to have to give meaningful recommendations to the Budget Committee. We are just going to have to have them, doctor.

[The questions and answers follow. Testimony resumes on p. 357.]

[Questions 12 through 23 were submitted to the Department of Health and Human Services following the February 24, 1983 Committee Oversight hearing on the Indian health Service fiscal year 1984 budget. Department responses to the Committee's questions were received by the Committee on February 23, 1984.]

12. Question: What is the Department's estimate of the total unmet need for water and sewage facilities for both BIA- and HUD-constructed Indian housing units? How many Indian communities does the projected unmet need referred to above represent?

Answer: Based upon current project construction plans for FY 1985, it is estimated that 1,000 BIA new/renovated homes and 1,900 tribal/other new/renovated homes and existing homes on or adjacent to the housing site, will be be in need of sanitation facilities at a cost of $23 million. It is also estimated that there will be a need to provide sanitation facilities to 3,500 HUD sponsored Indian housing units in FY 1984 and an additional 3,000 HUD sponsored Indian housing units in FY 1985 at a total cost of approximately $62 million. The HUD has indicated that they have set aside budget authority for offsite sanitation facilities to all HUD sponsored homes allocated through FY 1983 most of which will be constructed in FY 1984 and FY 1985. It is our understanding that HUD has received an allocation for 2,800 Indian housing units in FY 1984 and an anticipated 2,500 Indian housing units in FY 1985.

Even though funds have been allocated for the new housing construction, actual locations have not been determined; therefore, the number of communities represented by the 7,500 HUD and BIA units is unknown at this time. These homes are spread throughout Indian communities.

13. Question: What accomplishments has the Indian Health Service realized in meeting the need for water and sanitation facilities for Indian housing units?

Answer: Since the inception of the Sanitation Facilities program with the passage of the Indian Sanitation Facilities Act in 1959, the IHS appropriation has funded sanitation facilities to over 140,000 new and existing Indian and Alaska Native homes. The IHS has also funded, in whole or in part, the establishment of 300 Indian-owned operation and maintenance organizations. Since 1959 new sanitation facilities have been an important element of the IHS preventive health effort to reduce the gastroenteric death rate and the infant mortality rate of the Indian population.

14. Question: What is the impact upon the Indian Health Service's goal of improving the health status of American Indians and Alaska Natives to the highest possible level if provision of water and sewage facilities to Indian housing units cannot be realized?

Answer: Safe and sanitary water supply, sewage disposal and housing are critical factors in the overall physical and mental health and well-being of all Americans, significantly influencing the incidence of infectious and non-infectious diseases, dental health and injury control. Poor housing and environment are increasingly implicated in alcoholism and other mental health problems associated with self-image, poverty, and family difficulties. Because of their rural environments and their modest resources, there are less than adequate facilities available to some Indian communities. A variety of Federal programs exists which permits tribes to address housing or sanitation needs, such as HUD's CDBG.

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15. Question: Does the Indian Health Service consider the provision of water and sanitation facilities to Indian housing an integral part of Indian Health Service's preventive health effort?

Answer: Adequate water and sanitation facilities have long been recognized by public health officials as important for all individuals. The Indian Health Service views the provision of adequate facilities as an important component in any preventive health program. Studies have shown that health improvement is related to incorporation of sanitation facilities into the preventive health component of a comprehensive health program.

16. Question: Has the Indian Health Service analyzed the cost of constructing sanitation facilities and how that cost may compare to the cost of treating diseases that have been found to result from the absence of proper sanitation facilities? Is it more expense to treat the resulting diseases than it is to construct water and sewage facilities to prevent such diseases?

Answer: The Indian Health Service has not analyzed the cost of constructing sanitation facilities compared to the costs of treating diseases resulting from improper sanitation facilities. We are considering initiating such a study.

17. Question: Does the Indian Health Service have a commitment from the Department of Housing and Urban Development for the transfer of funds to the Indian Health Service for the construction of sanitation facilities? In what amount and when was the commitment made?

Answer: The HUD does not transfer funds directly to the IHS. The HUD does provide funds to Indian housing authorities in amounts sufficient to finance its necessary water and sewer improvement. On July 27, 1982 the Department of Housing and Urban Development (HUD) agreed to this administrative mechanism to provide the funding to the tribal housing authorities who are free to contract with the IHS to build the off-site water and sewer facilities for 3,409 HUD assisted housing units identified in FY 1982. Furthermore, the HUD agreed to extend the interim transfer mechanism through FY 1983. Through January 1984, tribal housing authorities have transferred $11.5 million of the $58,000,000 in FY 1982 and FY 1983 contract authority that HUD set aside to provide off-site sanitation facilties.

18. Question: Has the Indian Health Service actually received any funds from the Department of Housing and Urban Development to construct water and sewage facilities for non-HUD assisted homes? How much has been received?

Answer: The Indian Health Service has not received any funds directly from the Department of Housing and Urban Development's public and Indian housing program to construct water and sewage facilities for non-HUD assisted homes. The HUD does provide CDBG funds to Indian tribes which could be used to provide sanitation facilities for non-HUD financed homes.

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19. Question: Assuming that HUD funds are transferred to the Indian Health Service for sanitation facilities construction, will those funds be subject to the Davis-Bacon Act? If so, what effect will the application of the Davis-Bacon Act have on the costs of construction?

Answer: As noted above, HUD does not transfer fund directly to IHS. The Indian Health Service has been advised by HUD to proceed on the basis of payment of congressionally-mandated Davis-Bacon wage rates except in cases where HUD has found that it is not appropriate to use Davis-Bacon wage rates, and other prevailing wage rates should be used instead. Because all wage rates have not been set, the actual cost increase is as yet undetermined.

20. Question: Has the Department of Housing and Urban Development placed any restrictions or special conditions upon the transfer of funds to Indian Health Service for the construction of sanitation facilities?

Answer: Again, HUD does not transfer funds directly to IHS. Yes, there are two potential restrictions, the application of Davis-Bacon wage rates and the payment of interest on funds transferred to the IHS from the IHAs in accordance with HUD contract authority procedures. The former is discussed above. Regarding interest payments, regulations covering all HUD financed construction are applicable to the IHS. While this poses no problem in most cases, it may pose a problem in Alaska where IHS must order the material for the water and sewage facilities well in advance of construction. Staff of IHS and HUD are working together to explore solutions to these potential problems.

21. Question: If the Indian Health Service has not received the full amount of funding that was proposed to be transferred from the Department of Housing and Urban Development, what factors are responsible for the delay?

Answer: Again, no funds are transferred directly from HUD to IHS. However, delays in IHS receiving funds from Indian housing authorities are a result of several factors, including:

1) The application of the Davis-Bacon wage rates. Delays have been experienced because the HUD/Dept. of Labor survey of wage rates is taking longer than anticipated;

2) General delays affecting the overall progress of the development project resulting from planning and design problems confronted by the IHA's;

3) The process by which HUD must amend the contract authority reserved for each housing project, which requires the housing authority to sell notes or to get a direct advance from HUD through the Treasury Department and then transfer the funds to the IHS for construction of the water and sewer facilities.

22. Question: What is the Department's position with regard to any future responsibilities of the Indian Health Service for the construction of sanitation facilities for Indian housing?

Answer: The Department's position is that the agency funding the basic housing construction or renovation should also finance the provision of sanitation facilities. The IHS has a proven record of effectively administering the construction of sanitation facilities and believes that IHS expertise is available to be utilized as necessary in the planning and construction of sanitation facilities. Local Indian authorities may contract with the IHS should they wish to purchase these services. In addition, the Department recognizes the need for the IHS to maintain the capability to respond to sanitation-related public health needs for existing homes in Indian communities, which may be unrelated to new housing construction.

23. Question: Does the Department of Housing and Urban Development intend to charge interest on the funds transferred to Indian Health Service for the construction of sanitation facilities for Indian housing units?

Answer: No funds are transferred to the IHS directly. Any interest expense resulting from HUD project financing is provided through HUD appropriations. Sufficient budget and contract authority is obligated to IHA's for interest expenses.

Senate Select Committee on Indian Affairs
Follow-up Questions from the Hearing of
February 23, 1984

1. Question: The Committtee believes that many of the preventive health accomplishments cited in the Department's prepared testimony can be directly attributed to the success of the Community Health Representatives program. It is the Committee's understanding that Community Health Representatives provide direct patient care as well as community health education.

[a] If the Department is targeting resources toward direct patient care, and the focus in IHS preventive health is community-oriented, why is the Department once again proposing to eliminate the very successful Community Health Representative program and the funding for the Indian people that are helping the Department to realize its stated goals?

[b] How does the elimination of the Community Health Representative program further the President's policy of Indian self-determination?

Answer:

(a) Budgetary constraints over the past three years have forced the Department to make priority decisions and emphasize funding of IHS' primary mission: the provision of direct clinical care on or near Indian reservations. While the Community Health Representatives program provides valuable community education and referral functions, this program does not place direct clinical care as its highest priority.

(b) The President's policy of Indian self-determination is not related to the elimination of the Community Health Representative program. Rather it is a question of priorities to provide resources for the provision of direct clinical care within budgetary constraints.

2. Question: Again this year, there are no funds requested for the construction of hospitals and clinics.

[a] How does the Department plan to complete construction on those hospitals or clinics that are already under construction?

[b] Is it the intention of the Department to leave those hospitals and clinics that are already under construction uncompleted?

[c] What plans does the Department have for hospitals for which planning and design funds have been released and expended?

[d] Is there a specific Administration policy concerning the construction of IHS hospitals and clinics?

Answer:

(a) The Department would complete the contruction projects that are currently fully funded and hold in abeyance further construction on those projects that are partially funded until the President's Budget priorities permit additional Federal construction activity.

(b) It is not the Department's intention to leave any facility uncompleted once construction has started, but some projects may be partially completed or deferrsd to comply with the President's focus on controlling Federal expenditures.

(c) Construction would be delayed until construction funds become available.

(d) It is the Department's policy to make health care accessible to Indian people. The construction of health care facilities is one method of making health care accessible. It is the policy of the Administration to maintain this accessibility through the replacement of old obsolete facilities and, where indicated by need and in the absence of other health care providers, to construct new health care facilities. This policy is maintained by mechanisms developed to justify and prioritize the need for health care facilities based on the availability of resources.

3. Question: The Indian Health Service budget request fails to request funds for the Health Professions Recruitment program, the Indians into Medicine program, and the five Masters in Public Health programs.

[a] How does the Department intend to increase the number of trained Indian health professionals available for service in the Indian Health Service in the absence of such programs?

[b] What is the Department doing to assure that Indian people are recruited for service in health professions this year and in fiscal year 1985?

[c] Are there a sufficient number of Indian people graduating from health professional schools in fiscal years 1984 and 1985 to fill all vacant positions in the Indian Health Service?

Answer:

(a) Funding for the majority of the students participating in these programs will continue. It is the administrative cost of these programs which support the counselors and project director that would be eliminated.

(b) The IHS has a scholarship coordinator in each Area/Program Office who is responsible for recruiting students into the scholarship program. These coordinators visit high schools on and off reservations and conduct health fairs for the purpose of attracting students into the health professions. This is in addition to ongoing recruitment efforts for health vacancies in IHS which emphasizes recruitment of qualified Indians.

(c) No.

4. Question: The Indian Health Service Budget Justification states that 63 students will not be funded to continue in the Indian Health Manpower program.

- Are any of these 63 students currently receiving scholarship assistance participating in the Indians into Medicine program?

Answer:

The reduction in scholarships will be based on idnividual performance. It is not possible at this time to identify which students will not be funded or if any of these students will be in INMED.

5. Are there sufficient funds to carry existing students through the end of medical school?

Answer:

The appropriation is for one year and is sufficient to carry the existing students through the end of the academic year. The Scholarship program will require an annual appropriation in order to continue all of the current students until completion of medical school.

6. Question: What is the impact of buy-out provisions and the availability of low interest loans for that purpose on Indian Health Service manpower needs?

Answer: With triple payback provisions for National Health Service Corps (NHSC) scholarship recipients receiving scholarship funding beginning the school year 1978-79, the number of buy-outs has dropped drastically to less than 10 percent of those assigned to IHS.

7. Question: It is the Committee's understanding that because of Federal augmentation restrictions, the services of National Health Service Corps physicians will now be charged to the Indian Health Service account.

[a] Is the Department requesting an increase in the Indian Health Service budget to assure the continued services of National Health Service Corps physicians in the Indian Health Service?

[b] In the absence of a requested increase in the Indian Health Service budget, how many National Health Service Corps physicians will the Indian Health Service lose?

[c] What are the Department's plans for assuring that there is sufficient funding for tribally-operated clinics to continue the services of National Health Service Corps physicians?

[d] Approximately how long will it be before funding is available to tribally-operated clinics to continue the services of National Health Service Corps physicians?

Answer:

(a) Many of the National Health Service Corps physicians are assigned to Urban Projects which are not scheduled to receive any funding in the FY 85 budget year. Those National Health Service Corps physicians assigned to tribally-operated facilities may or may not receive additional funding based upon the equity distribution. Those National Health Service Corps physicians assigned to Indian Health Service direct-care facilities will not be affected since they are presently included in the IHS funding and staffing.

(b) In Indian Health Service direct-care facilities there will be no loss of National Health Service Corps physicians. In the Urban Projects and the tribally-operated facilities, a number has not been determined since final review of workload and other sources of funding for staffing has not been completed. Up to 25 physicians could be lost to the Indian Health Service urban projects and tribally-funded projects if other funding (IHS or other) is not available, or other programs within these projects could be reduced if it were decided that maintaining the present level of physician staffing was a higher priority.

(c) A review of the tribally-operated clinics is being done to determine workload and other funding sources that may be available. In further application of equity funds, distribution of tribal project adjustments will be applied due to the termination of National Health Service Corps physicians. This may or may not result in an increase of funds available to tribally-operated clinics or a decision to maintain its current physician staffing level.

(d) See (c) above.

8. Question: Please provide the Committee with an explanation of the Department's proposed initiative to open Indian Health Service hospitals to non-Indians.

Answer: The Department has under consideration a proposal to permit remote facilities of the Indian health Service to serve non-beneficiaries under certain conditions but no legislation to that effect has been submitted to the Congress.

9. Question: What is the impact of Reform 88 on the Full-Time Equivalent positions in the Indian Health Service?

Answer: In line with the management reduction initiative of Reform 88, direct operations activity will be reduced approximately $315,000 or 9 full-time equivalent positions. Patient care positions are not affected.

10. Question: The Department has requested no funds for the construction of water and sanitation systems.

[a] What funds are currently available to the Indian Health Service to conduct preliminary engineering tests?

[b] What obstacles exist to the transfer of funds from the Department of Housing and Urban Development to the Indian Health Service for the construction of water and sanitation systems?

Answer:

(a) A small portion of the FY 1984 sanitation facilities appropriation will be utilized, as necessary, to provide the preliminary engineering and site evaluations for non-HUD new and renovated Indian housing units scheduled for construction in FY 1985. The HUD Headquarters staff has recently determined that the HUD housing regulations will permit the tribal housing authorities to provide the full amount of the required advance funding to IHS for the preliminary engineering activities associated with the HUD sponsored Indian housing units.

(b) There continue to be a number of obstacles to the transfer of funds from HUD to IHS: (1) the inability of the tribal housing authorities to transfer funds to the IHS until the annual contribution contract (ACC) of the housing project is approved by HUD, (2) the timeliness of the note sales, (3) the time needed to obtain Department of Labor wage rates, and (4) the delayed processing of required paperwork and agreements until the HUD approval of the ACC. Factors influencing the delays have been recognized by HUD and IHS, and the two organizations are cooperating to make the appropriate changes to expedite the process.

11. Has the Department conducted a study of unmet needs for maintenance and repair?

[a] Please provide a copy of such study to the Committee.

[b] If no such study has been conducted, upon what were figures on page 44 of the Indian Health Service Budget Justification based?

Answer:

(a) No such study has been prepared.

(b) The Backlog of Essential Maintenance and Repair (BEMAR) summary contained in the FY 1985 budget justification is a consolidation of estimates derived from indepth inspections performed by engineers of the Department's Regional Offices of Facilities Engineering and Construction, IHS Area Facilities Managers, commercial organizations, the Joint Commission on Accreditation of Hospitals, etc. Inspections are performed on an annual cycle with quarterly updating of BEMAR reflecting estimates for facilities inspected during the previous quarter. BEMAR does not include routine maintenance and repair.

12. What is the annual increment of maintenance and repair backlog created each year?

- Will the $8.7 million the Department has requested for fiscal year 1985 put the Indian Health Service farther ahead or behind the annual increment?

Answer:

From FY 1980 through FY 1983, BEMAR deficiencies had an average annual increase of $7.3 million per year as indicated below:

FY	CHANGE	BEMAR
1980	--	$44,981,974
1981	+$10,575,685	55,557,662
1982	+ 9,252,151	64,809,813
1983	+ 2,209,748	67,019,561
1984	($12 million FY 84 BEMAR - $7.3 million average increase = $4.7 million decrease in BEMAR)	

Because of the additional M&R funds provided in FY 1984, BEMAR is expected to show a decline by the end of this fiscal year thus reducing the average annual increase mentioned above to an estimated $4.3 million.

The $8.7 million budget request should provide $2 million for BEMAR resulting in a slight increase in BEMAR during FY 1985 of $2.3 million.

13. In fiscal year 1984, an additional $1 million was appropriated to the Urban Indian Health budget activity.

   [a] Please tell the Committee whether those funds have been allocated to the urban programs, and if they have not, what plans the Department has for the distribution of such funds.

   [b] Does the Department plan to request a recission or deferral of the additional funds appropriated to the Urban Indian Health budget activity?

Answer:

   (a) A distribution was made on March 20.

   (b) No More is needed since the Department expects to obligate the funds.

14. Question: To what specific programs will fetal alcohol syndrome funds be allocated in fiscal year 1984?

ANSWER: Of the $300,000 dollars appropriated by Congress for fetal alcohol syndronme (FAS) research/prevention in Fiscal Year (FY) 1984, $75,000 dollars will go to the University of Washington to continue their long term follow-up FAS research project. Another $75,000 dollars will be utilized to purchase technical assistance for all IHS Areas to maintain the prevention education effort that was initiated by the FY 1983 FAS contract with the All Indian Pueblo Council. The remaining $150,000 dollars will be made available to each IHS Area allowing individual efforts for FAS research, prevention, and services.

15. Question: If Medicare and Medicaid collections projected for fiscal year 1985 are not forthcoming, how does the Department plan to fund mandatory increases in the Indian Health Service budget?

Answer: Any shortfall in the projected Medicare and Medicaid Collections will have to be absorbed within the resources appropriated for fiscal year 1985. This would be accomplished by lapsing positions, curtailing travel, supplies, and equipment and reducing training.

16. Question: Please provide the Committee with data that indicates how Medicaid and Medicare funds collected by the Indian Health Service were expended in fiscal year 1983.

Answer: As of September 30, 1983, all IHS hospitals were certified by the Health Care Financing Administration (HCFA) as providers under Medicare.

Significant progress has been made in the numbers of Joint Commission on Accreditation of Hospitals (JCAH) accredited hospitals in the IHS. As of the date of this report, the IHS has 39 of the 48 hospitals accredited. This is a major increase from 24 hospitals that were accredited at the time of the passage of P.L. 94-437. This increase has been due in large measure to the use of the Medicare and Medicaid collections to correct deficiencies that had been cited by the JCAH or the HCFA surveyors.

Use of Funds During FY 1963

The following table shows the use of the Medicare/Medicaid collections during FY 1983 in the major categories of Personnel, Maintenance and Repair (M&R) and Equipment.

IHS ACTUAL USE OF M/M FUNDS
FY 83

AREA	FEDERAL PERSONNEL	PERSONNEL COST	EQUIPMENT COST	M&R REPAIRS	TOTAL
Aberdeen	50	838,795	644,063	1,799,097	3,281,955
Alaska	11	2,373,155	699,129	231,236	3,303,520
Albuquerque	81	1,277,464	357,416		1,634,880
Bemidji	15	249,289		865,382	1,114,671
Billings	27	404,306	190,970	528,099	1,123,375
Navajo	129	2,526,612	127,860	2,024,116	4,678,588
Oklahoma	134	2,266,103	75,307	11,199	2,352,609
Phoenix	50		147.392	120,750	268,142
Tucson	4	55,760	56,500		112,260
Nashville	0	291,926	73,202		365,128
Portland	0	550,141	169,311	17,412	736,853
TOTAL	507	10,833,551	2,541,139	5,597,291	18,971,981

17. Question: Many Indian tribes have been unfairly foreclosed from receiving funding under Title VI of the Older Americans Act because of the decision of the Administration on Aging to allow a one-time only application process. Senator Melcher believes that the administrative decision to arbitrarily eliminate the access of some eligible tribes to these funds for several years is in clear violation of Congressional intent.

Senator Melcher is pleased to see that the Department has requested an increase of almost $2 million to fund Title VI programs for Indian tribes in the fiscal year 1985 budget.

[a] If Congress appropriates the requested increase, how does the Department propose to allow equal access to such funding by all eligible tribes?

[b] Please outline specifically, the proposed time frame and process for grant applications, approval and distribution of Title VI funds.

ANSWER: 17[a]

o Appropriations have not significantly increased since Fiscal Year 1980, in fact they were reduced from a $6,000,000 level to a $5,735,000 level for Fiscal Years 1982, 1983 and 1984. Therefore, in order to protect older Indians currently being served under Title VI, and as indicated in the preamble to the 1980 Title VI regulations, AoA continues to give first priority to those applicants that have successfully performed under previous Title VI grants.

o The Department plans to invite applications from eligible Tribes that are not currently funded with the understanding that funding for these tribes will be limited to: (1) the amount of funds remaining, if any, in the FY 1984 appropriation after the funding for continuation of currently approved projects; and (2) the amount of any additional funds appropriated in FY 1985 over the FY 1984 level of $5,735,000.

ANSWER: 17[b]

Applications for Fiscal Year 1984 funds, for which $5,735,000 has been appropriated, will be accepted from current grantees and new applicants until June 29, 1984. Applications for these funds will be approved and funds will be awarded to successful applicants by September 30, 1984. Application kits will be sent to the 83 current grantees, and Tribes not currently funded may obtain kits from AoA. Successful applications from new Tribes which are not awarded from Fiscal Year 1984 funds will be awarded from additional funds available in Fiscal Year 1985 funds, and will be announced when the additional funds are available.

18. Question: Senator Melcher believes that it is still unfair to leave tribes that are now eligible without access to Title VI funds in fiscal year 1984. Many tribal elders are impoverished and in desperate need of nutrition and other services that could be provided under Title VI. Senator Melcher has written to Secretary Heckler asking that the application process for 1984 be opened to additional tribes.

- If the 1984 budget will not cover additional anticipated applications and awards without severe cutbacks to those tribes already receiving grants, does the Department plan to request a supplemental appropriation to allow all eligible tribes equal access to Title VI monies?

ANSWER: 18 The application process is open to additional Tribes to the extent that funds remain after approved applicants from current grantees have been funded. However, the Department does not plan to request a supplemental Title VI appropriation for Fiscal Year 1984. The President's Fiscal Year 1985 request includes $7,500,000 for Title VI programs which, if signed into law, will allow the Department to fund approximately 27 new Tribes.

19. Question: If the Department should be funded under a Continuing Resolution for fiscal year 1985 at current levels, will the Department request a supplemental appropriation for Title VI?

ANSWER: 19 The Department does not anticipate that it will request a supplemental Title VI Appropriaton if the Congress passes a Continuing Resolution for Fiscal Year 1985.

20. Question: Consistent with the President's Indian Policy Statement, the prepared testimony of the Department states that the Indian Health Service will continue to assist the tribes to assume the responsibilities for health services through Public Law 93-638 authority.

- Since the Department is requesting no funds for the Tribal Management program -- a program that is set up specifically to help tribes develop the capacity to contract Indian Health Service programs -- how does the Department plan to assist tribes in achieving Indian self-determination?

Answer:

Although no funds were requested for tribal management support for FY 1985, technical assistance is available through IHS. The IHS has staff at the headquarters and area office levels who have provided technical assistance to the tribes in the past and will continue to do so whenever a tribe requests assistance.

Senator **Melcher**. That does not mean I am quite through with all my questions. There are about 20 questions in here, and they are not questions that are vague; they are questions I think you can answer quickly.

Here is one I want answered today. If the medicare and medicaid collections projected for fiscal year 1985 are not forthcoming, which is part of your budget proposal, how does IHS propose to fund mandatory increases?

Dr. **Graham**. What I have said in the past is that to the extent, in any fiscal year, there is a shortfall in our medicare and medicaid collections that puts the Indian Health Service in a position that it cannot reach the objectives which were specified in the President's budget. I will request of the Department a supplemental appropriation.

Senator **Melcher**. You will?

Dr. **Graham**. Yes.

Senator **Melcher**. Well, these collections, medicaid and medicare, are going to be used only for the purpose of obtaining and maintaining accreditation of IHS hospitals and clinics by the Joint Commission on Accreditation of Hospitals. Now, that is mandated by law.

Can you provide the committee with data that indicates how medicaid and medicare collections were expended last fiscal year?

Dr. **Graham**. No problem.

Senator **Melcher**. Thank you.

[Subsequent to the hearing the following information was supplied for the record:]

IHS ACTUAL USE OF M/M FUNDS: FISCAL YEAR 1983

	Federal personnel	Personnel cost	Equipment cost	M&R repairs	Total
Area:					
Aberdeen	50	$838,795	$644,063	$1,799,097	$3,281,955
Alaska	11	2,373,155	699,129	231,236	3,303,520
Albuquerque	81	1,277,464	357,416		1,634,880
Bemidji	15	249,289		865,382	1,114,671
Billings	27	404,306	190,970	528,099	1,123,375
Navajo	129	2,526,612	127,860	2,024,116	4,678,588
Oklahoma	134	2,266,103	75,307	11,199	2,352,609
Phoenix	50		147,392	120,750	268,142
Tucson	4	55,760	56,500		112,260
Nashville	0	291,926	73,202		365,128
Portland	0	550,141	169,311	17,412	736,853
Total	507	10,833,551	2,541,139	5,597,291	18,971,981

Senator **Melcher**. On page 46 of the budget justification, it is stated—I will let you get that page.

Dr. **Graham**. Believe me, sir, I have it marked.

Senator **Melcher**. Good! "Of the $55.4 million anticipated to be collected in fiscal year 1985 of medicare and medicaid, $15.4 million in estimated collections will be diverted to fund continued provision of current services."

How can you do that, since it seems like, under the Indian Health Care Improvement Act, you are mandated by law to use those funds for maintaining accreditation of IHS hospitals and clinics?

Dr. **Graham**. We agree with your interpretation of the law. The reason that I indicated that I was familiar with that page is this issue came up Tuesday morning in our appearance before the House Oversight Committee and later conversations that we have had within the Department and with OMB. There are, in the President's budget which has been submitted to you, inconsistent portions. Public Law 94-437 says that any such receipts shall be allocated to JCAH accreditation purposes. The language which we are proposing to you in this budget does not supersede that. There is no point of order language. There is no language that would set aside, as we requested last year, $10 million. That is not in our language this year. Therefore, I must assume that 437 provisions will hold sway, and we are not proposing anything to you that would amend that.

Therefore, the tables which are displayed on page 46 and a couple of other pages in the budget are inconsistent with law.

What I will be doing within the Department is submitting amended budgetary tables to come into conformance with the statutory language.

I have had a conversation with officials of the Office of Management and Budget about the questions that arose Tuesday morning. They have told me, at least verbally, that there was no intent on their part in budget preparation to make a major change in policy and to begin siphoning off, if you will, funds from medicare and medicaid collections into the general purposes of the IHS.

Now, obviously, any changed pages that we are proposing to the President's budget will have to be reviewed and cleared by OMB, and if there are any differences of opinion, we will have to sort them out. But that is my understanding of what has happened in this budget. I regret that there appear to be inconsistencies, and we will move on our part to submit appropriate tables consistent with the statutory provisions.

Senator **Melcher**. Well, in the appropriation process, then, since this $15.4 million will not be available from the collections of medicare and medicaid, you will adjust, then, your request to the Appropriations Committee?

Dr. **Graham**. That is something that I will have to work out with Dr. Rhoades and his staff in terms of the detailed supporting tables for the rest of the appropriation. The bottom-line request of the President for resources available to the IHS does not change.

These hospitals that we are trying to support in their accreditation status are going to be operated by the IHS, whether out of medicare and medicaid revenues or whether out of IHS revenues.

I do not anticipate at this time that it will be necessary to change any of the summation figures of the President's budget to get this straightened out. It may be necessary to change some tables and some subtables.

Senator **Melcher**. Well, one way of looking at it is, you may have a $15.4 million shortfall.

Dr **Graham**. We discussed that briefly last night. As I say, thus far my view is that since IHS is going to operate these hospitals, and we are requesting, under the hospitals and clinics line of the

President's budget, an increase of some $30 million, that we may have a series of puts and takes, if you will, and it does not involve the whole $15.4 million.

If you go back to our table which I think is on page 21, a number of those purposes summarized on that table are very consistent with the JCAH purposes. In other words, we do not have a $15.4 million problem; we may have something like about a $5 or $6 million problem. We have not done that subtotal yet.

I do not want to presume what we are going to run into as we try to sort out what is an inconsistency in the budget. At the present time, though, I have no reason to think that we will also be having to submit a budget amendment.

Senator MELCHER. Well, then, along that very line, I want to pursue my last series of questions, which involves whether or not the money expended during the past 2 years for transportation from one of the reservations has been wisely spent.

It involves the Fort Peck tribes. It involves transportation costs by air from Wolf Point or Poplar to Billings, MT. It was brought to my attention by a hospital administrator at Sidney, MT—I believe it is some 75 miles from Poplar—is that about correct, Dr. Steele?

Dr. STEELE. That is about right.

Senator MELCHER. He was invited to bid on Indian patient care, and did so, and then found that there were no patients taken from Wolf Point or Poplar to Sidney, to the hospital he manages, but he did find that for some reason there were a lot of patients taken by air to Billings.

He said to me, "You know, it is no secret; we are not going to perform open-heart surgery, probably, in Sidney, and people would prefer to have it done in Billings, but we probably do as good a job as whatever hospital they use in Billings on a lot of other things—fractures, other types of care."

He did not give me any figures, but I have asked for figures, and I understand there were 140 or 160 instances during 1982 and 1983, where there was charter aircraft involved from Wolf Point or Poplar to Billings.

Now, knowing the population of the reservation and knowing the availability of clinical care at Poplar, and hospital care at Wolf Point, and knowing the proximity of Sidney, MT, to these two communities, it seems rather odd to me that there are that many patients that were transported by air at a substantial cost to Billings.

We have not gotten all that data, have we? Is Dr. Copp here? Yes, he is. Would you come up to the witness table? Just pull up a chair, doctor. There is one over here by Dr. Steele.

Doctor, you have been designated, I believe, by the area office to provide this information.

STATEMENT OF DR. DANA COPP, BILLINGS AREA INDIAN HEALTH SERVICE

Dr. COPP. Yes, sir, we have requested that information, the particular details of the service unit director, and he is in the process of assembling that information for us right now.

Senator MELCHER. What does it cost for an air charter for a patient from Wolf Point to Billings?

Dr. COPP. I am not certain what a single air charter trip does cost down to Billings from Poplar.

Senator MELCHER. Do you know what it costs by ambulance for a patient from Poplar to Sidney?

Dr. COPP. No; but it would be considerably less.

Senator MELCHER. A fraction, a small fraction, would it not?

Dr. COPP. Oh, a relatively small fraction, yes.

Senator MELCHER. The time consumed from either Wolf Point or Poplar to Sidney would be less, would it not, than by air between Wolf Point or Poplar to Billings?

Dr. COPP. Yes, a little less, although by air, of course, the speeds are greater and the trip to Billings is not that much longer by air than it would be by ground transport to Sidney or Williston or any of the local referral hospitals.

Senator MELCHER. It would probably be more comfortable, too, would it not?

Dr. COPP. Possibly.

Senator MELCHER. Well, when you assemble that information, list the air charter service and let us see if there is a pattern there.

Dr. COPP. I would like to reassure you that I share your concern in the question, and I am glad it has come up.

Senator MELCHER. I just really do not know how this all happens over a period of 2 years. You know, first of all, the Indian population on the Fort Peck Reservation is not huge. What is it, Dr. Steele?

Dr. COPP. About 5,000?

Senator MELCHER. That tells us how many patients would be likely to need hospital attention in Billings or any hospital, whether it is Sidney, Williston, Billings, or what have you, as compared to what is available there at Poplar and Wolf Point.

It tells us that, and 140 to 160 trips over a 2-year period seems to me to be a huge figure. I do not think you could go to any community and look at the same relative number of non-Indian patients and find that that community, by air, put that many patients in Billings. It just really mystifies me how we can continually talk about making sure that our first priority is taking care of the patient, and then find what appears to be an absolutely huge amount just in transportation costs that are paid for by IHS. There must have been better ways of utilizing it.

I want to get back to this other point. It is indeed true, is it not, that the costs in Billings hospitals, either one of them, are going to be significantly more per patient day for use of the operating room than if it were at Sidney, Williston, Wolf Point, or what have you? Is that not true?

Dr. COPP. The per diem rates are higher in Billings, but also we run into another factor. The average cost of a hospital admission or discharge in Billings is considerably higher, but also because the more serious cases are referred to Billings.

Senator MELCHER. Yes, we understand that.

Dr. COPP. You tend to get into longer stays there.

Senator MELCHER. We understand that. What puzzles me from the outset is that there could be that many cases that would be deemed to require that type of attention in a hospital in Billings for a rather serious condition; not that we have any problem at all in saying that if the patient really needs more than is available at one of these other hospitals, indeed we do want him to be in Billings, but I just cannot see how that many—140 to 160 trips over a 2-year period—fit into that category.

I would just like to use one other comparison point, and that is Fort Belknap. We found that there were four or five patients during that same 2-year period that needed to be taken by air to Billings or to Great Falls. I guess they would not be taken by air to Great Falls, perhaps. I do not know; it is a little closer. I think it is about 150 miles from Fort Belknap to Great Falls. But, at any rate, we tried to be objective about this and we wanted some comparison, so we looked at Fort Belknap.

Dr. COPP. Senator, there are lots of factors to be considered in the process, and I am anxious to see the results of this analysis, too.

It is difficult to compare individual sites such as Fort Belknap and Fort Peck.

Senator MELCHER. Yes, I agree. I think it is very difficult.

Dr. COPP. Fort Belknap does have closer access to more sophisticated hospitalization programs.

Senator MELCHER. When will we get your analysis?

Dr. COPP. As quickly as we can get it together. I think we are talking about weeks.

Senator MELCHER. Two or three weeks?

Dr. COPP. Yes, sir.

Senator MELCHER. We will be talking to you again on February 29. That is only a week away. I do not think you are going to have that analysis completed by then, but we wish it were. We will see how you progress; you had better be prepared with something on the 29th so we have a better grasp of that, because it does fit in exactly with what we are talking about.

As I understand it, because of this $15.4 million that will not be available for patient care—that will have to go for the accreditation program—you are really going to be in the process already of trying to figure out whether or not the overall budget is sufficient in dollars.

If it is not sufficient, are there some places where we have been spending money that was not justified, and will it be reduced in the future? I would think that this may be one of them.

Is it fair to say that if there are 80 patients transported from Fort Peck to Billings, we may be talking about a $40,000 per year expenditure, just from that one reservation, in 1 year's time, that maybe was not justified?

Dr. Copp. I very seriously doubt, just for transportation expenses, that we would be talking about that much money, but in terms of additional hospital costs and everything accumulated, we may be talking that much. I am not sure. That will be part of the analysis.

Senator MELCHER. I am very interested in this because I would assume that we are talking about something like $600 in transportation costs by air between the Fort Peck Reservation and Billings.

Dr. Copp. As I indicated earlier, I share your interest in this question. We want to get to this and resolve it.

Senator **Melcher**. I think that is all we have on the matter. The rest of the questions I will submit, as I said earlier, for later answering within the 10-day period, Dr. Graham.

Dr. **Graham**. We will do everything that we can, Mr. Chairman.

Senator **Melcher**. Thank you, very much.

Our next panel will be Department of Education witnesses: Dr. Lawrence Davenport, Assistant Secretary for Elementary and Secondary Education; Dr. Robert Worthington, Assistant Secretary for Vocational and Adult Education. I am not sure whom you are accompanied by except Haskin Kahn, Director, Office of Indian Education. Oh, yes, Sally Christensen, Director of Budget, Department of Education.

Please proceed. How are we handling this, Dr. Davenport?

Dr. **Davenport**. I would like to read a prepared statement, Mr. Chairman.

Senator **Melcher**. Fine, please proceed.

STATEMENT OF DR. LAWRENCE DAVENPORT, ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION, ACCOMPANIED BY DR. ROBERT WORTHINGTON, ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION; SALLY CHRISTENSEN, DIRECTOR OF BUDGET SERVICES; AND HAKIM KHAN, DIRECTOR, OFFICE OF INDIAN EDUCATION

Dr. **Davenport**. We appreciate this opportunity to appear before you to discuss the fiscal year 1985 budget request for several Department of Education programs that serve Indians.

We are requesting $68,780,000 for Indian Education Act programs for fiscal year 1985, the same level as appropriated in 1984. No major changes in program strategy or funding distribution among the program components are proposed.

Since the authorizing legislation for this act expires September 30, 1984, the administration is submitting a legislative proposal along with this budget request to extend the program through fiscal year 1985.

Part A is by far the largest component of the Indian Education Act, reaching the majority of the Nation's Indian students in elementary and secondary schools.

The budget request in 1985 for part A programs is $51,350,000 an increase of $450,000 over the amount appropriated for 1984. From this request, $46,850,000 is targeted for formula grants to public school districts where more than 80 percent of all Indian children are educated.

Within broad guidelines, these districts may spend their grant moneys for whatever activities they feel will best serve the educational needs of the Indian children enrolled in their schools. Awards will be made to an estimated 1,264 school districts, an increase of 64 over 1984. About 314,000 students in these districts will be eligible for services in 1985, an increase of approximately 3,000 over 1984. The average expenditure per student is expected to be $149.

In addition to the formula program, $4.5 million of part A funds are set aside to support discretionary grants to Indian-controlled schools located on or near reservations. These awards are for projects generally of a supplemental, enrichment nature and include such activities as remedial instruction, career awareness, instruction in tribal heritage, or programs for the gifted. In 1985 it is estimated that the Department of Education will award 30 grants to Indian-controlled schools serving about 6,400 students.

This budget also requests $12 million for the six programs that comprise part B of the Indian Education Act. Two of these programs are designed to increase educational opportunities, improve educational quality, and encourage planning and developmental efforts that can result in improved curriculum and other programs for Indian children.

Three programs are designed to help Indian people enter professional careers, in education as well as other critical fields. The sixth program supports resource and evaluation centers that are working to upgrade the quality of all our Indian education programs.

Each of these part B programs will be continued at its 1984 level. This will allow us to fund an estimated 68 discretionary projects, 200 fellowships, and five resource and evaluation centers.

Under part C of the act, $3 million is requested to support basic education programs for Indian adults. This program seeks to find and serve traditionally hard to reach Indians, both those in remote areas on reservations and those in isolated pockets of poverty within our cities.

Through part C programs, Indian adults of all ages have the opportunity to learn to read and write, improve their basic skills, become better informed consumers, earn high school equivalency certificates, and generally enhance their employability and quality of life.

No major changes in part C program strategy or funding distribution are proposed in 1985. These funds will enable us to award an estimated 23 discretionary grants serving approximately 7,200 adults, who will participate on a part- or full-time basis, depending on their needs and the nature of the projects.

For fiscal year 1985, $2.2 million is requested to cover administrative costs of the Indian Education Programs Office. This is $500,000 less than in 1984, since the 1984 appropriation included a one-time earmarking of $500,000 for a congressionally mandated study of Indian-controlled schools.

For the National Advisory Council on Indian Education, $230,000 is requested, an increase of $50,000 over the amount appropriated in 1984. The Council will hold field hearings on the reauthorization of the Indian Education Act in addition to fulfilling its statutory responsibilities of overseeing all departmental programs designed to serve Indian students and adults.

Under the 1985 budget request for section 3 of the Impact Aid Program, a total of 640 districts are expected to receive funds for the education of more than 100,000 children residing on Indian lands. The estimated total for these payments for 1985 is almost $190 million.

For purposes of Impact Aid payments, all children residing on Indian lands are defined as "a" children. The budget request proposes payments at 100 percent of entitlement to districts heavily impacted by "a" children. Of the approximately 330 heavily impacted districts, about 245 serve children residing on Indian lands. Another 400 less impacted districts will receive Impact Aid payments of about 65 percent of entitlement on behalf of children who reside on Indian lands.

The 1985 budget request does not include payments for "b" children because Congress has ended the authorization for these payments effective in 1984. These children do not represent a genuine burden to their school districts because their parents and/or their parents' employers contribute to the local tax base which supports the public school system.

Districts which serve children who reside on Indian lands and also enroll "b" children will receive approximately $3 million on behalf of "b" children in 1984. The amounts of these payments to individual districts generally represent very small portions of the districts' total Impact Aid payments.

No funds are requested in 1985 for Impact Aid construction programs because of the high level of the appropriations for these activities in 1983 and 1984. A total of $100 million, well over the authorized level of $20 million per year, was appropriated and will be obligated for projects for those 2 years.

Grants for construction of school facilities by LEA's serving children on Indian lands comprised $42 million of the $100 million total. The additional funds that were made available by the 1983 supplemental jobs bill have allowed us to initiate projects in 1983 and 1984 that were previously scheduled for funding in 1986 and 1987. As a result, we propose to postpone further Federal funding of these construction grants.

The vocational education programs include a set-aside for grants to Indian tribes and tribal organizations. These grants afford Indian communities the opportunity to plan, conduct, and administer vocational education programs to meet their particular needs. Grantees are encouraged to coordinate their vocational education programs with tribal economic development plans.

Over the past 7 years, the program has reached approximately 11,000 members of 51 eligible tribes and tribal organizations in some 20 States. Funded projects have included training in a wide range of fields: Construction trades, agricultural occupations, business and office skills, small business management, computer operations, auto mechanics, operation of heavy equipment, boat building, and fisheries management. Emphasis is given to achieving high job placement rates for program participants.

The 1985 request for this activity is $6,700,000, approximately the same as the 1984 appropriation. The 1984 funds will support the continuation of 30 projects. In 1985, 28 of these programs will be continued, which will allow the funding of about 2 new projects through a national competition.

My colleagues and I will be happy to respond to any questions you may have.

Mr. ALEXANDER [acting chairman]. Thank you.

You may have noticed that the acting chairman, John Melcher, had to leave. He has asked me to keep the hearing going until he can return so that we can get your testimony.

The committee is pleased this year to see that you are requesting moneys for the title IV program. I would like to just acknowledge that and another area of change that we have seen in the budgets over the years.

We understand that you have $100,000 in the budget for the second phase of an evaluation of the part C program. Exactly what kind of an evaluation are we talking about and when will that begin?

Ms. **Christensen**. Actually, we have $500,000 in the 1984 budget for the study of Indian-controlled schools. Is that the one to which you are referring?

Mr. **Alexander**. Adult education, part C. The evaluation of part C, adult education.

Mr. **Khan**. As you know, the adult education program has been very effective, and it has provided encouragement to Indian adults and given them skills so that they can make a better life for themselves and their families. We felt that in view of our own experiences and impressions about the program, it would be profitable to have an assessment, an evaluation professionally done, so that we can prepare certain recommendations about possible ways to improve the part C program.

As you would note in our opening statement, the Department will be looking carefully into the quality of services and the effectiveness of the programs so that when it comes time for reauthorization, an evaluation would prove very valuable in helping us prepare our recommendations.

Mr. **Alexander**. Who is going to be doing this evaluation?

Mr. **Khan**. So far the decision has not been made as to who would be conducting that study.

Mr. **Alexander**. Do you have a planned starting date for the evaluation?

Mr. **Khan**. We have a plan in our own minds and we have put down some outlines of that effort, but we have not officially submitted it.

Mr. **Alexander**. Is this going to be put out for bid?

Dr. **Davenport**. That decision is still to be made.

Mr. **Alexander**. When you have a plan as to how you are going to proceed with that evaluation, we would appreciate receiving that in writing.

Mr. **Khan**. We will be glad to.

Mr. **Alexander**. In a briefing that we had from your agency, and also in your budget justification, it states that you are going to be submitting legislation to extend the title IV program. I am again wondering when we would receive such legislation, because we are also interested and probably will have our own bill.

Ms. **Christensen**. That has already been transmitted, sometime in the past few days.

Mr. **Alexander**. To OMB?

Ms. **Christensen**. No, to the Congress, to the Speaker of the House and the President of the Senate.

Mr. **Alexander**. We have not seen it. Do you know where it was referred? Was it put in on the Senate side?

Ms. Christensen. I will check on that and get copies to you today. It is my understanding that the Secretary did sign it and send it up.

Mr. Alexander. We are the authorizing committee, and we have not seen it.

Ms. Christensen. And you have not received it?

Mr. Alexander. No.

While we are on the subject of evaluations, we are also curious why the Department, in its continuing contracting out of evaluation studies of title IV, never contracts with the centers to perform these studies under the new part B. I am referring to the resource and evaluation centers that you have set up under title IV. The contracts, we note, seem to go to outside, secondary source type entities rather than the centers. Is there any particular reason why the centers seem to be excluded from that?

Mr. Khan. The rationale to establish the resource and evaluation centers was that we wanted centers to provide technical assistance to our grantees, especially the LEA's. These centers are not designed and are not funded, according to the contract, to carry out research or evaluation studies. The resource and evaluation centers are there to provide technical assistance, improve the quality of education, help the grantees to improve the design of their projects. That is a totally different activity from research or evaluation.

When we evaluate a program, the studies are administered and the contracts are supervised by the Office of Planning, Budget, and Evaluation. The function of the centers is really not to evaluate nor to do research. Their function is to provide programmatic technical assistance to the grantees so they can improve the quality of education.

I might add that our experience with the centers has been that they have been very effective, and we have certain indicators that they are meeting the tasks that they were designed to do.

Ms. Christensen. I would also add that in all evaluations that the Department conducts, we try to make a point to provide the most objective evaluations possible and not have the program office or an advocacy group perform the evaluation. It should be done by someone from the outside that is not in any way connected with the program.

Mr. Alexander. You have published new regulations, proposed regulations, on January 23 for title IV. I understand that the comment period has another month to run, exactly a month to run. What is the nature of the comments you have received to date on those proposed regulations?

Mr. Khan. The regulations were published on January 23 allowing 60 days for comments to be submitted and that is the requirement in all programs when we publish a Notice of Proposed Rulemaking.

Mr. Alexander. Have you received any comments?

Mr. Khan. We have been receiving comments from the LEA's and from the States. I might say that the first comment we received was from Senator Stevens' office. The next day, on the 24th, there were comments from his office. So, we are getting responses to them.

Mr. **Alexander**. Is it your view that in the 60-day time period that you mentioned, the Indian educators around the country will have sufficient time to comment on the proposed rules and regulations, and at the same time to put in the quality proposals that are due on March 16 to your office?

Dr. **Davenport**. It is our opinion that they will have sufficient time to do so.

Mr. **Alexander**. If it turns out that you get comments that that is not, in fact, the finding of the Indian educators, can you extend the time period for comments on the regs?

Dr. **Davenport**. It is not our plan to do so at the present time. The comments that are coming in, as I think you are probably aware, are basically supportive of the regulatory changes.

Mr. **Alexander**. Are the comments that you are receiving from Indian educators generally supportive of the changes in the regulations, particularly the change in terms of the parent advisory committees and their composition?

Mr. **Khan**. We have received several comments dealing with the parent committees. If I may explain the rationale for the deregulation: The Secretary believes that we should have minimum use of nonstatutory requirements. In other words, what we have done is to follow the statute. Basically, the regulations that we have proposed are true to the legislation. However, in certain circumstances, the Secretary may determine that using nonstatutory requirements could help the efficiency and effectiveness of the program. For example, we have an Indian-controlled schools set aside. If you look at the law, you will see that there is no requirement that these schools be established and operated by Indian people. We discussed this matter and we felt concerned. We studied the Senate committee report of 1971, and we noted that the committee felt very strongly—in fact, it was a unanimous opinion—that these schools must be established and operated by Indian people. So we did put that in our proposed regulations, though it was nonstatutory.

I think that if one were to study it carefully, he or she would note that we have not added any burden or required any increased effort on the part of the LEA's to complete their applications. But, if we have strong comments, the Assistant Secretary will review them. He is very interested in the regulations we are proposing. When we get the comments, we will look at them very seriously.

Mr. **Alexander**. Could you tell me what the current level of employment of Indians is in the Office of Indian Education?

Dr. **Davenport**. Well, let us start back a few years. It will be helpful to people in reviewing the current level.

Mr. **Alexander**. I was going to go from current level back.

Dr. **Davenport**. From December 1977 through January 1981, the number of Indian part-time and full-time staff was reduced from 32 to 10. From 1981 through 1982, five additional Indian staff members left the Indian education program to take positions with the Bureau of Indian Affairs and other offices in the Education Department.

From 1982 through 1984, one education specialist went to the Office of Bilingual Education to accept a promotion, and another education specialist went to chapter 1 in OESE in order to retain his grade. Presently there are three Indian staff members who are assigned to IEP and who have retained their grades.

Mr. **Alexander**. Out of a total staff currently of?

Dr. **Davenport**. Fifty people.

Mr. **Alexander**. Is that a concern to the Department, that the proportion of Indian educators within the Department is currently at a fairly low level?

Dr. **Davenport**. I am not sure that I understand the question. As you know, the civil service rules under which the Department operates treat every professional the same, so I am not quite sure how to respond to your question. Everyone who is a qualified civil servant in the Federal Government gets the same protection under the civil service laws as any other——

Mr. **Alexander**. I understand all departments also are required to have affirmative action plans and to do a self-analysis and establish goals and timetables. For the Office of Indian Education, is it your view that you have reached your appropriate goals for Indian employment?

Dr. **Davenport**. You have to look at that in terms of departmental goals.

Mr. **Alexander**. I believe it is broken down by unit under the law.

Dr. **Davenport**. I do not have that in front of me, but that is what I am trying to speak to.

Mr. **Alexander**. Thank you.

Dr. **Davenport**. We have to understand that as we read through that whole list, you find that Indian professionals, like other professionals, take promotions and leave and take other assignments. That will continue to happen throughout the Department as people are able to find other opportunities for advancement, both inside and outside of the Department. We just have to recognize that in America, people always move toward advancement, and we should applaud it. There is no Indian preference in the Civil Service Act related to the Indian education program.

Mr. **Alexander**. Do you think there should be? I mean, we are the authorizing committee here. There is one for the Bureau of Indian Affairs generally. There is at least a legal argument to be made that it should be for any programs involving Indians, and you are the Assistant Secretary. I was just wondering what your professional view would be.

Dr. **Davenport**. Well, there is no legislation to that effect at the present.

Mr. **Alexander**. Well, given the experience in obtaining Indian employees in the Department, do you think we should consider a legislative proposal to add Indian preference to programs in your Department?

Dr. **Davenport**. That is up to the Congress. I would not voice an opinion, one way or another, on that.

Mr. **Alexander**. One further question in this area—actually two. One always seem to end up as two.

I am very aware that the administration is a strong supporter of recruitment as a major technique in affirmative action.

Could you, for the record, submit to us what your recruitment efforts have been in the Office of Indian Education to obtain more

Indian employees, if you do not have that at your fingertips now? I would appreciate that.

Dr. **Davenport**. We can speak to that now. As you know, the Department, across the board, with some few exceptions, has not been in a hiring mode. Over the last 2 years in OESE, we have not been hiring except for clerical and support personnel. We have not hired professionals during this period.

Mr. **Alexander**. You, I gather, are going to hire a director for the Office of Indian Edcuation. Is that correct?

Dr. **Davenport**. Yes, sir.

Mr. **Alexander**. Will you be looking outside of the Department, or are you constrained under your RIF standards to look within?

Dr. **Davenport**. No, it is a national search. People who feel they are qualified will be identified for the position through the search. The applications will be reviewed to ensure that applicants meet qualification requirements. Those applicants found to be qualified will be placed on a list which the National Advisory Council on Indian Education, NACIE, will review. NACIE, as part of its review, will interview the candidates and recommend to me the candidates they find most highly qualified. I will then interview the candidates and the final selection will be made by the Secretary.

Mr. **Alexander**. Where are we in the process now? How close are you to appointing someone?

Dr. **Davenport**. The first three steps have been completed. The national search has provided a number of applicants, and they have been reviewed by a committee.

Mr. **Alexander**. That is a committee within the Department?

Dr. **Davenport**. Yes, for SES qualifications.

Mr. **Alexander**. Right.

Dr. **Davenport**. The National Advisory Council on Indian Education has completed its reviews and has made their recommendations. I have interviewed the candidates. So we should be ready to make a selection in the near future.

Mr. **Alexander**. In your process, was there a consultation with Indian tribes or organizations or outreach to those organizations in the process?

Dr. **Davenport**. The National Advisory Council sent announcements of this position across the country and to many of the national associations. There was a tremendous attempt to notify all potentially interested persons that the position was available. The National Advisory Council and their chairman, Tom Sawyer, did an outstanding job.

Mr. **Alexander**. The attachments to your prepared statement will be included in the record at this point.

[The attachments follow:]

Biographical Sketch

SALLY H. CHRISTENSEN

Present Position	:	Director, Budget Service, U.S. Department of Education
Other Positions	:	
Jan. 1981-Oct. 1981	:	Acting Assistant Secretary for Planning, Budget and Evaluation, U.S. Department of Education
1980-1981	:	Deputy Assistant Secretary, Budget Systems and Services; U.S. Department of Education
1974-1980	:	Chief, Budget Review Branch; Division of Planning and Budgeting; U.S. Office of Education (Part-time)
1972-1974	:	Consultant to Rules and Regulations Task Force; U.S. Office of Education (Part-time)
1968-1972	:	Deputy Director, Budget and Manpower Division; U.S. Office of Education
1966-1968	:	Chief, Higher Education Branch, Budget and Manpower Division; U.S. Office of Education
1965-1966	:	Chief, Elementary, Secondary, and Higher Education Branch, Budget and Manpower Division; U.S. Office of Education
1962-1965	:	Budget Analyst, Budget Management Section; U.S. Office of Education
1957-1962	:	Program Assistant to Deputy Commissioner of Education; U.S. Office of Education
Education	:	Dunbarton College of Holy Cross, Washington, D.C. Additional courses at American University and University of Virginia
Honors and Awards	:	President's Distinguished Executive Award, 1982 Bonus Award for Senior Executive Service, 1981 Special Citations from U.S. Secretaries of Education, 1980 and 1981, and U.S. Commissioners of Education, 1972 and 1980

Cash awards, 1975, 1979, and 1981

Quality increases, 1968 and 1976

DHEW Superior Service Award, 1965

Four-year Scholastic Scholarship to Dunbarton College

Valedictorian of High School Class

Community Affiliations: President, Reed Elementary School PTA, Arlington, VA 1979-80 (Served on Committee appointed by Superintendent to select new school principal; conducted successful campaign with School Board to keep Reed School open)

Member of Advisory Council on Volunteer Programs to Arlington County School Board, VA, 1977-1980 (Chairman in 1978)

School Board Representative, Reed Elementary School PTA, Arlington, VA 1977-79

Volunteer Teacher Assistant (part-time), working with groups of 2-24 students in first and second grade reading, mathematics, and expository writing; Reed Elementary School, Arlington, VA, 1975-79.

Memberships : U.S. Budget Officers Conference

National Congress of Parents and Teachers

Arlington County (Virginia) Committee of 100

Publications : Strengthening Developing Institutions; Title III of the Higher Education Act of 1965; Annual Report of Advisory Council on Developing Institutions (for each of calendar years 1973 through 1978).

Listed in Who's Who in American Politics

EDUCATION ACTIVITIES

Office of Elementary and Secondary Education

U.S. Department of Education

Biographical Sketch

NAME : Hakim I. Khan

POSITION : Acting Director of Indian Education Programs

BIRTHPLACE AND DATE : Aonla, Uttar Pradesh, India; January 14, 1926

EDUCATION : Lucknow University, India, 1945 LL.B
Lucknow University, India, 1947 M.A.

Teachers College, Columbia University, New York, 1950 M.A.
Post Graduate Research, Social Psychology - Columbia University, New York

EXPERIENCE :

PRESENT : Acting Director for Indian Education Programs

1982 : Deputy Director for Indian Education Programs
1981 : Special Assistant for Indian Education Programs
1979-1981 : Director, Division of Discretionary Programs, Office of Indian Education
1975-1978 : Director, Division of Local Educational Agencies, Office of Indian Education
1973-1975 : Chief, Adult and Post Secondary Branch, Office of Indian Education
1969-1972 : Senior Specialist for South Asia, Middle East, and North Africa, Institute for International Studies U.S. Office of Education
1966-1969 : Specialist in International Education Research, Bureau of Research, U.S. Office of Education
1955-1965 : Information Specialist, Voice of America, U.S. Information Agency

EDUCATION ACTIVITIES

Office of Elementary and Secondary Education

Biographical Sketch

NAME : Lawrence F. Davenport

POSITION : Assistant Secretary for Elementary and Secondary Education

BIRTHPLACE AND DATE : Lansing, Michigan, October 13, 1944

EDUCATION : Michigan State University, 1966, B.A.
Michigan State University, 1968, M.A.
Fairleigh Dickinson University, 1975, Ed.D.

EXPERIENCE

PRESENT : Assistant Secretary for Elementary and Secondary Education

1981-1982 : Associate Director for Domestic and Anti-Poverty Operations, ACTION
1979-1981 : Provost, San Diego Community College District
1974-1979 : President, San Diego Community College Educational Cultural Complex
1972-1974 : Vice President for Development, Tuskegee Institute
1972-1972 : Assistant Dean for Special Projects, the University of Michigan-Flint
1969-1972 : Director of Special Projects, the University of Michigan-Flint
1968-1969 : Assistant Director of Student Activities, Lansing Community College

ROBERT M. WORTHINGTON, PH. D.
ASSISTANT SECRETARY FOR
VOCATIONAL AND ADULT EDUCATION

BIOGRAPHICAL SKETCH

Dr. Robert M. Worthington is currently serving as Assistant Secretary for Vocational and Adult Education in the U.S. Department of Education. He was nominated for this position by President Reagan in April 1981 and confirmed by the U. S. Senate.

Prior to his appointment as Assistant Secretary, Dr. Worthington served as Associate Commissioner of Higher Education in the Utah System of Higher Education, administering Technical and Community Colleges, Vocational Education, Capital Facilities and Campus Planning for the statewide system. He also served on the Governor's Manpower Planning Council and the Utah State Advisory Council on Science and Technology. In addition to these duties, he served as Acting President of the College of Eastern Utah from February to September 1980.

Dr. Worthington was Chairman and Senior Research Associate of Career Development Associates, Inc. of Princeton, New Jersey. He served as Associate U.S. Commissioner of Education and Director of the Bureau of Adult, Vocational and Technical Education. He was Assistant State Commissioner of Education and State Director of Vocational, Technical and Adult Education in the State of New Jersey. In the Minnesota State Department of Education, he served as supervisor of veterans' training and industrial education. He was Professor and Chairman of the Department of Industrial Education and Technology at Trenton State College and Visiting Professor of Education at Rutgers University, Boston University and other institutions of higher education.

Author of three books and numerous articles in professional and technical journals, he served as an editorial board member of the Education Digest. He served as a member of the President's National Advisory Council on Vocational Education and on the Executive Committee of the President's Committee for Employment of the Handicapped. He was Co-chairman of the National Task Force on Career Education of the American Foundation for the Blind.

Dr. Worthington is active in international educational affairs. He has represented the United States at World Conferences in Geneva, Paris and Hamburg. He also headed the U.S. delegation to the UNESCO World Conference on Adult Education and Lifelong Learning in Tokyo and was the United States delegate to the Organization for Economic Cooperation and Development. Dr. Worthington chaired the National Task Force on Education and Training for Minority Business Enterprise which reported to the United States Secretaries of Commerce and HEW.

He received the Bachelor of Science degree from Eastern Kentucky University, the Master of Arts and Doctor of Philosophy degrees from the University of Minnesota. In 1975, the Regents of the University of Minnesota presented to Dr. Worthington the Outstanding Achievement Award of the University. He has received the Honorary Doctor of Humane Letters degree from Lincoln University and the Honorary Doctor of Laws degree from Eastern Kentucky University.

9-15-83

Mr. ALEXANDER. We are going to turn to vocational education for a while. In the vocational education area, during the last funding process, how many applications were received and how many were funded?

Dr. WORTHINGTON. We had 87 applications, 80 of which were eligible for competition, 30 of which were funded.

Mr. ALEXANDER. How does that compare with prior cycles in terms of application flow and numbers funded?

Dr. WORTHINGTON. It runs approximately the same level. We would be happy to provide for the record an analysis for the full 9-year cycle if you would like to see that.

Mr. ALEXANDER. Fine. We would appreciate that.

Dr. WORTHINGTON. I would be happy to do that.

[Subsequent to the hearing the following information was received for the record:]

The following table summarizes appropriations, the number of continuation, new and total projects, and the number of competitive applications received, by appropriation year.

	Appropriation	Continuation projects	New projects	Total projects	Competitive applications
Appropriation year:					
1977	$5,218,476	0	20	20	78
1978	5,437,777	19	11	30	40
1979	5,929,888	29	3	32	31
1980	6,929,755	8	26	34	58
1981	6,186,230	26	0	26	0
1982	5,936,734	22	0	22	0
1983	6,645,484	0	30	30	80
1984	6,733,624	30	0	30	0
1985	[1] 6,700,000	28	[1] 2	[1] 30	([2])
Total	55,717,968	163	91	254	287

[1] Estimated.

[2] Unknown.

Mr. ALEXANDER. One of the areas that Assistant Secretary Ken Smith of the Department of the Interior spoke about on Tuesday was the initiatives for small tribes, and we were wondering, under this program, how many small tribes received vocational education grants?

Dr. WORTHINGTON. As to the number of small tribes, I could not say off the top of my head at this time. I do have a complete list of those that were funded of the 30. I should point out that under the State vocational education programs, some 140,000 Indians are reached. I do not have an analysis of the tribes, but under the discretionary grant——

Mr. ALEXANDER. We would appreciate getting that list from you.

Dr. WORTHINGTON. I would be happy to do that. I do have a list with me that I could read into the record, but it would be time consuming, and I am not sure which are small and which are large.

[Subsequent to the hearing the following information was received for the record:]

"SMALL" TRIBES PARTICIPATING IN THE INDIAN VOCATIONAL TRAINING PROGRAM

While the definition of "small" tribe would be difficult to furnish, we believe, by any measure or standard, the following could be considered small tribes:

1. Las Vegas Paiute—Nevada.
2. Winnebago—Nebraska.
3. Omaha—Nebraska.
4. Sac & Fox—Oklahoma.
5. Sac & Fox—Iowa.

In addition to the small tribes, the following groups of one or more small tribes or villages have participated:

1. Salt River Project—Arizona.
2. Bay Mills Project—Michigan.
3. Owens Valley—California.
4. Cook Inlet Natives—Alaska.
5. Mauneluq—Alaska.
6. Reno/Sparks Indian Colony—Nevada.

Mr. ALEXANDER. I will give you the rationale behind the questions. It has been our experience in other areas that small tribes have unique problems of having the technical expertise, staff, et cetera, to be able to put together applications that are sufficient to be competitive, and that those tribes in other areas have required additional resources—technical, sometimes financial, and so on—so we are curious to see how small tribes work out under your process. Is there any technical assistance provided by your operation to small tribes?

Dr. WORTHINGTON. We have established this year, through the National Center for Research in Vocational Education, a project entitled "Program Management Competencies for Indian Vocational Education Programs." We think that management training for Indian Project directors will have a significant effect. It will help considerably in providing technical assistance. The project has been funded as a part of the contract with the National Center for Research in Vocational Education at the Ohio State University and it should provide quite a bit of help.

We have found that not only the Indian tribes, but many rural school districts have similar problems. I Chair the Department's Committee on Rural Education.

Mr. ALEXANDER. They are somewhat analogous.

Dr. WORTHINGTON. They lack skills in writing proposals. But as you know, there are more than 370 tribes eligible for this. We had only 87 applications. It is entirely possible many of them did not have the expertise to respond to the announcement.

Mr. ALEXANDER. We know, as I am sure you are all too aware, that the BIA never matches its 1 percent and receives an exemption for that every year. Has the Department—since this is a rather unique problem—ever requested from the Bureau its reasoning as to why they failed to request the 1 percent match for your program?

Dr. WORTHINGTON. Yes. I might say that shortly after my confirmation by the Senate, I sent a letter to the Secretary of the Interior through Secretary Bell requesting that information. We were told that the Department of the Interior did not plan to request the 1 percent matching.

Mr. ALEXANDER. Did you ever get a response in writing that gave you a substantive explanation as to why the Department of the Interior would not request the 1 percent?

Dr. **Worthington**. No; we did not. I discussed it verbally with my counterpart, but we did not receive——

Mr. **Alexander**. You had oral conversations?

Dr. **Worthington**. Yes.

Mr. **Alexander**. Could we get a copy of your inquiry letter to the Interior Department for the record?

Dr. **Worthington**. Yes, we would be happy to do that.

Mr. **Alexander**. We would like to continue to pursue that issue with your counterparts at Interior.

[Subsequent to the hearing the following correspondence was received for the record:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

October 5, 1981

The Honorable James Watt
Secretary of Interior
Washington, D.C. 20022

Dear Mr. Secretary:

As you know we both share legislative responsibility to provide Vocational Education and training funds to native Americans. Vocational Education legislation "P. L. 94-482 requires a special 1% set-aside for federally recognized tribes for vocational education activities. In addition, legislation P. L. 95-40 directs the Bureau of Indian Affairs (BIA) to match these vocational monies for expanded vocational education program activities and services for Indians.

The Department of Education has over the years met the statutory obligation, however, the Bureau of Indian Affairs within the Department of Interior has obtained waivers from this legislative requirement during fiscal years 1979-1981.

This administration has placed great emphasis on economic revitalization through jobs and training. I believe that the opportunity to provide vocational education and training is one of the best methods to reduce the high unemployment and increase tribal economic revitalization.

We have found that even though the program funding is very modest, less than seven million, results have been quite profound. Involvement by the Department of Interior would substantially increase that commitment providing even greater success.

What I am proposing transcends our respective Departments and provides that strong leadership our programs need at this time.

I appreciate your help in resolving this challenge.

Sincerely,

/s/

T. H. Pell

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEP 15 1981

Kenneth L. Smith
Assistant Secretary for Indian Affairs

Assistant Secretary
for Vocational and Adult Education

Bureau of Indian Affairs Match with 1% Funds for Indian Vocational Education

Vocational Education legislation P.L. 94-482 requires a special 1% setaside for federally recognized tribes for vocational education activities. In addition, legislation P.L. 95-40 directs the Bureau of Indian Affairs (BIA) to match these vocational monies for expanded vocational education program activities and services for Indians

The Office of Vocational and Adult Education (OVAE) has over the years met the statutory obligation, however the Bureau of Indian Affairs within the Department of the Interior has obtained waivers from this legislative requirement during fiscal years 1979-1982.

The purpose of this communication is to solicit your help in obtaining the match obligation mandated in P.L. 95-40. The unmet vocational education needs are clearly documented not only through high unemployment statistics but also by the Indian nations themselves.

This administration has placed great emphasis on economic revitalization through jobs and training. Many qualified proposals for increased participation in vocational education and training by Indian nations go unfunded due to the decision by the Bureau of Indian Affairs not to meet its statutory obligations for Vocational Education for Federally Recognized Tribes.

I appreciate your help and leadership in providing quality Indian programs and trust that you will give priority consideration to the matching provisions for Indian vocational education programs.

Thank you.

(s) Robert M. Worthington
Robert M. Worthington

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Mr. **Alexander**. We understand that the funding cycle is a 3 year one and that you, in fact, get an increasing number of applications every year. Should we, or should you, examine this funding cycle and perhaps make changes in it to determine if there should be perhaps a greater equity in the distribution of funds?

Dr. **Worthington**. Well, it happened this year that all of the funded projects were terminating, so this year there was a larger number of projects that could enter into the program. Among the 30 projects we have funded, there will only be about two, as Dr. Davenport mentioned in his testimony, that will terminate and be opened to competitive funding next year.

Most of the projects range from a 2- to 3-year cycle, and they are funded on that basis. It would open up more, obviously, if we had a shorter cycle, but it seems to be most efficient to do it in that manner.

Mr. **Alexander**. Well, to give you a little background as to the reason for our question, our chairman is Mark Andrews of North Dakota, for whom I personally work. United Tribes lost their funding this year. That is of concern to us. Mr. Melcher, our ranking minority member, is also concerned with Fort Belknap's loss of funding. So you got us on both sides of the aisle.

Dr. **Worthington**. Of course, as you know, the criteria for the evaluation of applications is published and distributed very widely and are widely known. The panel readers who review the proposals using these criteria are highly competent individuals selected very carefully by the Department and given thorough instructions.

A statistical analysis is applied to their scoring so that the individual bias of one team member would be statistically eliminated. We think we do a very fair job of analyzing these proposals. I do not recall exactly the rank order of the projects to which you referred. I do know that the project of the United Tribes ranked 39th out of the 87 applications. The cutoff point for funding was at 30. It is very unfortunate that United Tribes missed by only nine other tribal applications between theirs and the last one funded. We are very sorry about that.

We did, in analyzing other sources of Government funding, discover that a rather substantial amount has been provided to the tribes you mentioned through the Jobs Training Partnership Act. We hope that those funds will help to get them through this year.

Mr. **Alexander**. Thank you. Let us move to Impact Aid. We note again that it was mentioned in your prepared testimony that you have not requested any money for the construction component of Impact Aid for fiscal year 1985.

You stated in your prepared testimony that $100 million had been provided. Can you give me the basis of the $100 million? We saw $20 million appropriated last year rather than the $10 million that you requested. Where is the other $80 million? Is that carryover funds?

Ms. **Christensen**. No; it is not carryover funds. We had a jobs bill enacted.

Mr. **Alexander**. So this is the jobs bill's funds that you are counting?

Ms. **Christensen**. Jobs bill money that was enacted in 1983, which added an extra $60 million to the $20 million that we already had appropriated in 1983.

Mr. **Alexander**. $10 million requested and $20 million appropriated, right?

Ms. **Christensen**. And then we had $20 million appropriated again in 1984, which gave us $100 million total, which greatly accelerated Congress' plan in authorizing $20 million per year, so that is the rationale for——

Mr. **Alexander**. In your 1984 budget request, you indicated that your need level was $241 million. What is that this year? Has that gone up at all?

Ms. **Christensen**. The backlog now for Indian projects is about $195 million. Now, we do not know the extent to which many of those projects have already been funded because many of them have been in the pipeline or were initially requested maybe 10 to 15 years ago. Some of them may have been funded by local revenues. Some of them may have been involved in consolidated school districts.

Mr. **Alexander**. Do you mean by State and local revenues or tribal revenues?

Ms. **Christensen**. Yes, either.

Mr. **Alexander**. Well, if there is $195 million unmet need, I am not quite sure how you justify a zero request in this budget.

Ms. **Christensen**. What I am saying is that $195 million is probably grossly overstated. We do not go out and look at the individual projects and provide technical assistance until they reach a point that they are eligible for funding with the money that we have available.

Mr. **Alexander**. Well, how do you then establish your construction priorities?

Ms. **Christensen**. The priorities are set on a variety of different criteria. As the projects come in, they are looked at in terms of need, in terms of number of children, and in terms of the suitability of the building. There are a variety of other criteria that are looked at, and the projects are then put in priority order.

Mr. **Alexander**. What I do not understand from your answer is that if you do not know what state or condition this universe of $195 million is actually in, whether it has in fact been met by some other resources or in fact has gotten worse or perhaps is bigger—either end of the spectrum is possible—if you do not know those things, I do not understand how any priorities can be meaningful when you allocate whatever funds you do get.

Dr. **Davenport**. By statute, the first priority is unhoused children. In following the statutes, you begin with unhoused children and work backward.

Mr. **Alexander**. How many schools in Indian country have applied for 815 moneys in the last 3 years?

Dr. **Davenport**. We can provide you that for the record.

Mr. **Alexander**. I have some other questions of that nature.

[Subsequent to the hearing the following information was received for the record:]

FY 1984

U. S. DEPARTMENT OF EDUCATION
Office of Elementary and Secondary Education
Division of Impact Aid - School Construction Branch
Washington, D.C. 20202-6272

ORDER OF PRIORITY INDICES AND ESTIMATED FUNDS NEEDED

Public Law 81-815 - Sections 14(a) and 14(b)
(Children residing on Indian Lands)

Application Number	Applicant	Priority		Applicant's Initial Est.
		Tent.	Firm	
ND 83-C-1301	Fort Yates Public S.D. #4		128.2	$ 3,000,000
WA 78-C-602	Wellpinit S.D. #49		117.4	5,000,000
AZ 82-C-404	Chinle S.D. #24 (Waiver)		113.0	21,000,000
AZ 76-C-516	Window Rock Elementary S.D. #8		88.5	15,232,000
AZ 76-C-1001	Ganado Elementary S.D. #19		82.4	6,890,000
AZ 74-C-517	Indian Oasis S.D.		80.3	5,748,749
AK 75-C-5002	Craig City S.D.	79.2		1,850,000
MN 75-C-403	I.S.D. #707, Nett Lake	78.9		1,426,000
SD 84-C-304	Dupree S.D. #64	77.7*		1,296,000
MT 82-C-1801	Harlem H.S. Dist. #12	77.6		3,315,000
SD 81-C-507	White River S.D. #47-1		74.2	1,500,000
SD 81-C-1801	Waubay I.S.D.		72.0	4,691,600
AZ 80-C-702	Tuba City Unified S.D. #15		71.4	3,500,000
NM 77-C-411	Tularosa Municipal S.D. #4	69.4		3,000,000
NM 78-C-802	Magdalena Municipal S.D. #12	68.9		500,000
OK 80-C-2801	North Rock Creek D-10 S.D.	64.1		155,000
AK 76-C-1102	Hydaburg Public Schools	62.2		4,685,868
NM 73-C-402	Gallup-McKinley Co. S.D. (Waiver)	62.2		14,550,000
AZ 71-C-805	Union E.S.D. #62		61.6	117,000
NM 81-C-2901	Zuni Public S.D.	60.6		2,500,000
NM 76-C-4	Espanola Municipal S.D. (San Juan Waiver Area)	59.6		882,000

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Application Number	Applicant	Priority Tent.	Priority Firm	Applicant's Initial Est.
MT 79-C-13	S.D. #6, Lame Deer	59.0		$10,430,130
NM 77-C-512	Jemez Springs Municipal S.D.	56.0		1,600,000
OK 75-C-5002	Oaks Mission S.D.	55.7		200,000
SD 74-C-3001	West River I.S.D. #18 (Waiver)		55.6	400,000
MT 78-C-8	E.S.D. #12, Harlem	54.0		900,000
MT 76-C-14	E.S.D. #9, Browning	53.5		7,753,480
NM 77-C-406	Grants Municipal S.D. #3 (Waiver)	52.4		2,832,500
MT 76-C-3001	E.S.D. #28, St. Ignatius		52.1	1,139,377
MT 75-C-410	E.S.D. #17-H, Hardin		51.4	1,680,000
AK 75-C-5003	Dillingham City S.D.	50.8		2,500,000
ID 83-C-501	Lapwai S.D. #341	47.2**		1,800,000
AZ 7[illegible]-C-14	Northern Yuma Co. U.H.S.D.		45.9	415,600
SD 7[illegible]-C-[illegible]02	East Charles Mix S.D. #102		45.8	1,000,000
AZ 81-C-1102	Rice S.D. #20	45.6		2,500,000
OK 76-C-437	Salina S.D.	42.9		350,000
AZ 77-C-28	Puerco U.S.D. #18		40.9	10,000,000
OK 73-C-3001	Pleasant Grove I.S.D. #5		37.4	109,358
UT 76-C-401	Uintah S.D., Vernal	37.0		916,000
NM 79-C-401	I.S.D. #22, Kirtland	35.7		10,000,000
CA 80-C-9001	South Fork Union S.D.	34.6		650,000
WA 71-C-25	Clallam County S.D.		32.2	667,705
OK 75-C-601	Little Axe S.D.	30.3		130,000
IL 77-C-1202	Western Benewah S.D. #42	29.8		90,000
MT 82-C-7	Ronan S.D. #30	29.2		1,585,800
NM 77-C-407	Bernalillo Bd. of Ed.	27.1		1,480,000

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Sections 14(a)/(b) - FY 1984 (Cont'd)

Application Number	Applicant	Priority Tent.	 Firm	Applicant's Initial Est.
NM 75-C-412	Bloomfield Municipal S.D.	26.2		$ 872,000
SD 76-C-6001	Lyman Co. S.D. #12		22.6	950,000
NM 76-C-603	Los Lunas Cons. S.D.	22.2		475,000
KS 78-C-1802	U.S.D. #[illegible], Mayetta	22.0		3,711,500
MT 76-C-7	E.S.D. #30, Ronan		20.0	1,300,000
OK 76-C-1103	Pocola S.D.	19.7		365,750
MN 75-C-5001	I.S.D. #435, Waubun	18.1		30,000
WA 77-C-32	Granger S.D. #204	17.0		412,500
SD 81-C-2901	Winner S.D. #59-2	16.8		980,000
OK 76-C-911	Checotah I.S.D. #19	16.2		300,000
MI 75-C-5001	Bark River-Harris S.D.	15.9		250,000
NC 79-C-9002	Graham Co. School Board	15.0		5,750,000
IA 69-C-1701	C.S.D., South Tama County		13.8	219,800
WA 71-C-44	Wapato S.D. #207		13.5	456,750
OR 76-C-13	Jefferson Co. S.D.	13.1		281,000
AZ 77-C-901	Laveen S.D.		12.2	2,000,000
NM 75-C-9	Pojoaque Valley I.S.D.	12.1		634,653
CA 71-C-619	Bishop Union S.D.		12.0	102,690
OK 76-C-5001	Falls S.D. #31	11.1		260,000
ID 83-C-5	Blackfoot S.D. #55	11.0**		2,377,000
AZ 72-C-414	Tuba City E.S.D.		10.8	1,638,750
NM 75-C-602	Taos Municipal S.D. #1	9.8		1,038,300
NM 77-C-402	Gallup-McKinley Co. S.D. (The Bonito Waiver Area)	8.0		1,660,000
CA 82-C-516	Alpine Union S.D.	6.6		1,667,000
OK 76-C-6003	Broken Bow S.D.	2.7		420,000

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Application Number	Applicant	Priority Tent.	Priority Firm	Applicant's Initial Est.
SUBPRIORITY ORDER OF ZERO PRIORITY APPLICATIONS -- () denotes Subpriority				
AK 78-C-6001	North Slope Borough S.D. (Atkasook Waiver Area)	(100.0)		$ 3,150,000
AK 78-C-6001	N. Slope Borough S.D. (Kaktovik Waiver Area)	(100.0)		183,575
AK 78-C-6001	North Slope Borough S.D. (Wainwright Waiver Area)	(100.0)		183,575
WA 75-C-67	LaConner S.D. #311	(78.7)		525,000
WY 69-C-403	Mill Creek S.D. #14	(75.5)		42,000
WA 76-C-1902	Mt. Adams S.D. #209		(53.2)	450,000
NV 69-C-701	Elko County S.D.		(43.7)	107,000
WA 77-C-25	Cape Flattery S.D. #401	(29.9)		1,181,380
NM 75-C-513	Cuba I.S.D.	(28.8)		1,000,000
SD 76-C-701	McLaughlin I.S.D. #21	(25.8)		223,630
ND 74-C-503	New Town S.D. #1		(22.4)	163,761
WA 82-C-3001	Wilbur S.D. #200	(15.4)		1,526,400
AZ 77-C-604	Gila Bend U.S.D.	(14.5)		750,000
MT 73-C-3002	H.S.D. #28, St. Ignatius		(13.8)	592,240
MI 73-C-2001	Watersmeet Twp. S.D.	(13.6)		122,500
AK 76-C-1601	Yakutat City S.D.		(7.7)	1,250,000
CA 79-C-1301	Eastern Sierra U.S.D.	(3.7)		1,500,000
WA 70-C-56	Marysville S.D.		(2.8)	286,900
CA 71-C-530	San Pasqual Valley U.S.D.		(0.6)	200,000
NV 69-C-404	Humboldt Co. S.D.		(0.1)	231,000

* Applicant also tentatively eligible and listed by Sections 5 and 14(c) priorities.

** Applicant also tentatively eligible and listed by Section 14(c) priority.

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ADDENDUM

P.L. 81-815 priority lists - FY 1984

The following applications, filed for FY 1984 funding considerations, have been either (1) determined to be tentatively ineligible; or (2) identified as lacking sufficient information on which to base a tentative processing.

AZ 83-C-404	Chinle Public S.D. #24
CA 83-C-32	Fallbrook Union S.D.
CA 84-C-406	Morongo Unified S.D.
KY 83-C-3301	Edmonston County Bd. of Ed.
LA 83-C-602	Vernon Parish School Bd.
LA 83-C-3301	Sabine Parish School Bd.
ME 83-C-201	Brunswick School Committee
ME 83-C-601	Winter Harbor School Dept.
MI 83-C-604	Gwinn Area Com. S.D.
MI 84-C-3302	Iron Mountain Public Schools
MO 83-C-3301	Eminence R-I Schools
NE 83-C-802	Papillion S.D.
NV 83-C-603	Clark County S.D.
NJ 83-C-7	North Hanover Township S.D.
NJ 83-C-9	Pemberton Township S.D.
NJ 84-C-3301	West N.Y. Bd. of Ed.
NM 83-C-402	Gallup-McKinley Bd. of Ed.
NY 83-C-804	Highland Falls-Ft. Montgomery S.D.
NY 84-C-3301	Middle Island C.S.D.
NC 83-C-4	Cumberland Co. Bd. of Ed.
ND 84-C-501	Grand Forks Public S.D. #1
TX 83-C-3301	Hamshire-Fannett I.S.D.
VA 84-C-5	York County School Bd.
VA 83-C-2901	Bath Co. School Board
WA 83-C-3	North Kitsap S.D.
WA 83-C-4	Clover Park S.D. #400

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SCHOOL CONSTRUCTION PROJECTS FOR WHICH FUNDS ARE TENTATIVELY RESERVED UNDER PUBLIC LAW 81-815, AS AMENDED, SUBJECT TO FINAL ACTION ON APPLICATIONS

Sections 14(a) and 14(b) 1983 Regular Funds

Project Number	Applicant	Amount Tentatively Reserved
AZ-80-C-1105	Cedar Public School District #25 Keams Canyon, Arizona	$ 600,000.00
ME-81-C-2903	Indian Island School Committee Calais, Maine	1,491,600.00
ND-81-C-6001	Eight Mile School District #6 Trenton, North Dakota	710,000.00
NM-80-C-402	Gallup-McKinley Board of Edycation Gallup, New Mexico	4,000,000.00
	TOTAL	6,801,600.00

SCHOOL CONSTRUCTION PROJECTS FOR WHICH FUNDS ARE TENTATIVELY RESERVED UNDER PUBLIC LAW 81-815, AS AMENDED, SUBJECT TO FINAL ACTION ON APPLICATIONS

Sections 14(a) and 14(b) 1983 Jobs Bill Funds

Project Number	Applicant	Amount Tentatively Reserved
AZ-82-C-3001	Ganado High School District #20 Ganado, Arizona	$10,000,000.00
AZ-81-C-2901	Window Rock High School District #9 Fort Defiance, Arizona	12,000,000.00
	TOTAL	22,000,000.00

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Mr. **Alexander**. Thank you for your appearances today. We will take your full statement for the record, and I assume we will see you on title IV reauthorization sometime this session.

Dr. **Davenport**. Thank you.

Mr. **Alexander**. Thank you.

We are going to take a 5-minute recess, and then we will continue with the outside witnesses.

Next, we would like to hear from Dr. Robert Swan and Ms. Karen Fenton.

STATEMENT OF DR. ROBERT J. SWAN, EXECUTIVE DIRECTOR, FORT BELKNAP TRIBAL EDUCATION DEPARTMENT

Dr. **Swan**. Good morning, Mr. Chairman.

Mr. **Alexander**. Would you please identify yourself for the record.

Dr. **Swan**. My name is Robert Swan, executive director of the Fort Belknap Tribal Education Department, Fort Belknap Community Council, Harlem, MT.

Mr. **Alexander**. Welcome.

Dr. **Swan**. I am respectfully requesting the Senate Select Committee to allow me to submit written testimony today on four areas: Public Law 92-318, as amended, Indian Education Act, title IV; Public Law 94-487, as amended by Public Law 95-40, the Vocational Education Act, the 1 percent set-aside for Indian vocational education; Public 95-471, Tribally Controlled Community College Assistance Act of 1978; and Public Law 89-329, the Talent Search Program.

In my oral testimony today, I would like to limit my time to part C of title IV of Public Law 92-318.

Fort Belknap has been fortunate to have operated a title IV part C project since 1977. Under this authorization, the Fort Belknap Adult Education project has provided services to over 1,500 Indian adults; 350 Indian adults have received ABE services; 180 Indian adults have completed their high school equivalent diploma, the GED; 700 Indian adults received services through first aid classes, education training, cultural enrichment classes, and so forth; 960 Indian adults received services in job placement, counseling, life coping skills, and consumer education; 290 Indian ranchers and farmers received training in beef and crop production, artificial insemination, ranch management, and so forth.

Similar Indian adult education projects have as impressive records as the Fort Belknap Reservation and in some cases are even more impressive than our record.

Fort Belknap is currently operating a computer-aided instructional demonstration project under part C, which will demonstrate the introduction and utility of computer-assisted instruction in adult education. This project anticipates the impact of the use of computers in education and is striving to determine how it can best be used to advance education for Indian people.

The Indian Education Act addresses the special educational and cultural related academic needs of Indian children and adults. While significant gains were achieved in the seventies and early eighties, the American Indian and Alaskan Native continue to be the most economically and educationally disadvantaged group in this country.

The U.S. Congress has recognized that by improving education in recognition of the special relationship and trust responsibility existing between Indian tribes and the Federal Government, title IV, the Indian Education Act of 1972, must continue in the future.

At this time I would like to make a recommendation for an increase in the appropriations for title IV, part C. We are formally recommending to this committee that part C funding be increased from the present level of $3 million to $6 million, or an increase of $3 million.

Mr. Chairman, Indian people do not want to return to the 1930's. Our success and achievements in the 1970's and 1980's are attributed largely to the Indian Education Act of 1972. We have come a long way in the past 12 years. We are dependent upon the Congress of the United States to guarantee our right to self-determination and an adequate education.

I would like to thank you very much for allowing me to submit my written testimony as well as oral testimony this morning, and I would be glad to answer any questions that you may have in regard to title IV.

[The prepared statement follows. Testimony resumes on p. 403.]

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PREPARED STATEMENT OF DR. ROBERT J. SWAN, EXECUTIVE DIRECTOR FORT BELKNAP TRIBAL EDUCATION DEPARTMENT

Good morning Mr. Chairman, and distinguished members of the Senate Select Committee on Indian Affairs. My name is Dr. Robert J. Swan, the Executive Director of the Fort Belknap Tribal Education Department, Fort Belknap Community Council, Harlem, Montana. I am respectfully requesting the Senate Select Committee on Indian Affairs to allow me to submit written and verbal testimony today regarding Public Law 92-318 as amended, the Indian Education act (IEA), Title IV; P.L. 94-487 as amended by P.L. 95-40, the Vocational Education Act, the 1% set aside for Indian Vocation Education; P.L. 95-471, Tribally Controlled Community College Assistance Act of 1978; and, P.L. 89-329, Talent Search.

First, I would like to thank the Senate Select Committee on Indian Affairs for allowing me this opportunity to share with you some of the achievements made possible under these programs and some of our concerns for current and future funding and continuation of these vital programs.

I shall outline the past benefits these programs have provided to the Indian people of Fort Belknap which is a major concern on the Fort Belknap Reservation.

A. Vocational Education Project

P.L. 94-487, as amended by P.L. 95-40, Contract Program for Indian Tribes and Tribal Organizations is more commonly referred to as the 1% set aside program for Indian tribes and tribal organizations. We have been fortunate at Fort Belknap in that we have been able to participate in the 1% set aside program from 1978 through August of 1984. We were not selected for funding for FY-85 because the Bureau of Indian Affairs is not committed to vocational education for Indian adults as reflected by their request every year. For the past five years the U.S. Congress did not match the U.S. Department of Education appropriations as required by under P.L. 95-40.

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When appropriations were first made available for the Contract Programs for Indian Tribes and Tribal Organizations, the Congress passed H.R. 3437, P.L. 95-40, requiring the Bureau of Indian Affairs to match the amount made available through the U.S. Department of Education. This match was supposedly based on the needs of tribes and tribal organizations across the nation. But for various reasons, none specifically given, the Bureau of Indian Affairs has been able to get statutory waivers from the requirements through the Appropriations Acts from FY-79 through FY-84.

Funding history under P.L. 94-482, for the 1% set-aside is as follows:

YEAR	AUTHORIZATION	APPROPRIATION	PROJECTS
1978	$ 8,360,000	$ 5,437,682	20
1979	9,769,000	5,437,777	30
1980	11,800,000	5,922,888	32
1981	12,659,114	6,929,755	34
1982	14,179,114	6,186,230	26
1983		5,936,734	22

If the Bureau of Indian Affairs had matched the 1% set-aside program, this would have resulted in an increase of 35 million dollars for Indian tribes and tribal organizations. Instead we experienced a loss of 35 million dollars because of the Bureau of Indian Affairs lack of commitment to Indian Tribes. In comparison to the number of projects funded, and the number of tribes and tribal organizations needing vocational education services, you can clearly see that there are many tribes and tribal organizations whose needs are not being met.

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Although Fort Belknap is only one project out of 22 funded during fiscal year 1982, I believe we have had major accomplishments here at Fort Belknap. Our project was first funded in September, 1978, and the following achievements were made to date:

1. Completion of a vocational student needs assessment.

2. Completion of a five year comprehensive vocational education plan.

3. High school drop-out identification and placement of 275 students.

4. Career Counseling and Placement for 789 students (K-12, GED, adults, trainees).

5. Provided training and job placement for 22 secretarial trainees.

6. Vocational Agricultural training for ten trainees with five graduates.

7. Vocational Welding training for 16 trainees with 16 graduates.

8. Vocational Business classes for 10 full-time students, 60 part-time, and 5 graduates with an Associate of Arts in Vocational Business Administration.

9. Micro-computer Technology training with 10 students currently enrolled and 9 will graduate on June 8, 1984.

10. Business Administration with 10 students currently enrolled with four to graduate on June 8, 1984 with Associate of Arts degrees.

11. Workshops in the area of life coping, agricultural, management, clerical & bookkeeping, and vocational with a total of 50 workshops held and a total attendance of 1,618.

12. Completion of a career educational library.

During FY-84 the Vocational Education Project has enrolled 20 Indian

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trainees in a post-secondary program with the tribally controlled Dull Knife Memorial College located at Fort Belknap. There are (10) enrolled in Office Computing, (a one year certificate program), and (10) enrolled in Business Administration (an Associate of Arts Degree Program). By establishing this college and merging the VEP trainees into our community college, we have been able to expand services to addition community members. We also finance other students through our Higher Education Project, PELL grants, and other federal funding.

Fort Belknap was also chosen as a pilot site for the National Center for Research in Vocational Education, "Extending the Benefits of Vocational Education to Indian Populations". We have served as an exemplary project for other Vocational Education Projects funded under the 1% set-aside programs. I have been to numerous meetings and conferences where Fort Belknap have shown the accomplishments we have made under this outstanding program.

For reauthorization of the Vocational Education Program, I would like to recommend the following:

> 1. That there be specific set-aside for tribes, perferably a minimum of 2% for Tribes and Tribal Organizations.
>
> 2. Vocational Education funding not be block-granted to states, as Indian tribes and organizations will not be considered. This conclusion is based upon past experience with State departments of Education.

Fort Belknap, like many other tribes, has made substantial progress through the funding of the 1% set-aside. We are finally at a point where community members know more about vocational education. In an area of high unemployment, we have helped reduce that high rate through the training programs we offer and through the job placement of students. A tremendous amount of work has been

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done in building up a successful project, such as ours. We want to look forward to more successful years in vocational education. With your support and help, we will be able to do this.

B. TRIO Program:

The T.R.I.O. programs have been in existance since the late 1960's. The programs were initially introduced by concerned Senators and Congressmen who felt that if they educated the under priviledged youth, the cost of social programs would go down. The T.R.I.O. programs are Special Services, Upward Bound and Talent Search. They are also involved with the office of the National Council of Educational Opportunity Association (NCEOA). This office has been in existance since June, 1981. The NCEOA was originally set up to develop career internship programs in conjunction with Upward Bound programs. It also serves as liason with the Congress and with the Administration. The Career Internship project was funded by the Department of Labor for 3 years and is now supported through fund raisers from each of the TRIO projects around the nation.

Currently there are 8 Special Services, 2 Talent Search Projects and 2 Upward Bound projects in Montana. Special services will provide services to 1,375 students, Upward Bound will provide services to 115 students and the Talent Search Projects will provide services to 1,350 students in project year 1983-84. The projects have been providing tutorial services, guidance and counseling, career development, etc., to the students since 1967 when the first special services project was funded at the University of Montana.

The North Central Montana Talent Search Project has been in existence since 1980. During this time, the project has provided services to 1,540 youths between the ages of 14 to 27 years in the North Central Montana Talent Search

Project. The project has been steadily growing since the beginning of the project. Our numbers have been raising steadly for the past 3 years.

The need for the project is apperent if you look at the ratio per student for counselor in our tri-county area. There are about 105 students to 1 counselor. The drop-out rate at the beginning of our project was around 27% for all schools and has decreased steadly to about 10% over the three year period. The number of low income families has gone up in each area as the recession has caused loss of jobs and there is still no work to be found. Therefore, the need to have more educational services provided to these low income students still exists.

The Talent Search Project provides counseling and guidance service to all low income students for career, personal and academic areas. We also provide services to Jr. High, High School and post-secondary institutions. We aid students in completing all forms to enter a post-secondary school.

The NCMTSP has played a very active part in getting our low income youth back into secondary schools and/or post-secondary institutions. Most of our clients do not know the first step on how to apply for post-secondary schools. They do not know what types of financial aid are available, how to apply for housing and various other types of paper work. Many of the students do not have a career goal or even know the options they have for a career. This type of service is provided by the Talent Search Project. If the service was taken away, the low income students would lose the benefit of the project and the benefit of getting a college education.

Because the Talent Search Project has become so critical to continued success of the low income student, we are requesting that funding be continued or increased to serve those we our still unable to reach because of lack of

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manpower and funding.

C. P.L. 95-471, Tribally Controlled Community
College Assistance Act of 1978:

The Port Belknap Community Council began operation of the Dull Knife Memorial College - Fort Belknap Campus in 1982. We have been contracting with the main campus located at Lame Deer, Montana for credits and services. Just recently we completed our 95-471 feasibility study and have been notified that we will become the 21st Indian controlled community college and will be known as the Fort Belknap College as of the 1984-85 school year.

Because we are just beginning as a community college, we are faced with overwhelming management, organizational, and expenditure problems. We need to receive full funding under 95-471 or we may not be capable of providing and maintaining a critically needed service in this community. You must realize that on our reservation, like many throughout this country, the tribal government has limited or no financial resources for establishing community colleges.

The BIA is currently funding Indian students at the rate of $2,535. per student. This amount is going to be reduced by another $60.00 to $2,460. per FTE. The $60.00 cut is to help pay for the automated data processing system the Bureau got themselves into. What this means is a cut of $352.00 per FTE had we been funded at the original level of $2,812. According to my calculations, this cut of $352.00 per student for Port Belknap would mean a cut of approximately $25,000. This amount is based on approximately 70 FTE times $352.00 and represents over one-third of the part-time faculty salaries.

Tribally Controlled Community Colleges can not withstand such a budget

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deficiency. Here are some of the reasons that we can gave to demonstrate the fiscal costs we face.

1. As you know this past winter, even though it was short, it was severe. Heating bills were astronomical. Not to mention that the cold weather broke many pipelines destroying some facilities in some of the colleges in North and South Dakota, and Montana.

2. Maintenance of the building necessarily were raised because of the broken pipes and the clean up job that followed.

3. Transportation in any of the areas where these Tribally Controlled Colleges are, rises, it does not decrease.

4. In some cases, some of the Tribally Controlled Colleges will actually have to let faculty go because of this budget deficiency.

5. Two colleges are up for accreditation this Spring. These include Standing Rock and Salish/Kootenai. They would not be able to absorb this budget deficiency. In fact, Salish/Kootenai said that the reserve that they had built up would be wiped out.

6. Community colleges are looking at cutting faculty, granting no pay raises, cutting contracts from 12 to 10 months. This has to impact our ability to attract qualified college staff.

7. Many colleges are operating with skeleton crews and utilizing substandard facilities in order to keep their doors open.

All of the tribally controlled community colleges are concerned about these budget deficiencies because they cannot maintain quality education when they are unable to offer their faculty any kind of salary. We are also faced with inflation, maintenance, rising heating costs, transportation, rising costs of instructional supplies, increasing insurance and other related costs which continue to rise.

We are requesting that this committee recommend an increase in the funding

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rate per FTE to the $4,000. level as authorized by law.

We are determined to continue providing the opportunity for Indians to receive a viable post-secondary education. It has been denied too long and we are too close to learning the real benefits of this process for our people.

D. P.L. 92-318 As Amended, the Indian Education Act of 1972 (IEA) Title IV

There has been more accomplished in the field of Indian Education and Indian Self-Determination through the Indian Education Act than through any federal legislation in the history of the United States. In just twelve (12) years of active participation and input by Indian parents and Indian educators, there have been many achievements in education on which we all can look on with pride.

This legislation, accompanying appropriations, and administration of programs has made it possible for Indian people to begin planning and operating their own education programs, set educational goals and priorities, and commence to meet their own unique educational needs which historically have been neglected and misinterpreted by the federal government and others.

The establishment of the Presidentially appointed "National Advisory Council on Indian Education" through the (IEA) has provided the President and Congress with accurate and consice information on the nature of Indian Education; its specific needs; and progress being made throughout the nation. It has served as well as a forum from which to address critical Indian Education issues and concerns. In the past its members have represented a true cross representation of the American Indian and has voiced the concerns of these people rather than that of a few distinguished Indian authorities as has been done in the past.

Congress and the people of this country can look upon the Indian Education

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Act as a fine example of the Democratic process and a meaningful expenditure for real benefits.

1. Part "A"
****

Under this section of Title IV the Indian tribes, clans, organizations, schools and communities have the opportunity for the first time "ever" to determine to a significant extent the development and implementation of programs designed to meet the "Unique Cultural and Educational Needs" of their own peoples.

Many benefits have come about through Title IV Part "A", which allows for Indian involvement in the education process. In Montana these benefits are demonstrated by the fact that: There are Indian controlled schools and school boards, tribal schools or contract schools exist on many reservations.

There are more Indian children completing high school and going on to post-secondary institutions. In 1983, the estimated number of Indian students in higher education is over 3,000. This is an increase of 100% in 10 years.

Today Indian parents are informed and participate in the local education system. This is a critical facet of education in Montana since our school systems are locally controlled. Parental involvement on Title IV Indian Parent Advisory Committees, at first resisted by non-Indians, has evolved into a cross cultural bridge of understanding and concern. Teachers who now understand cultural values of Indian people are rapidly becoming the most effective teachers in our school systems.

Indian children are not being missed by the system, kicked out, or processed without learning as they have been in the past.

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2. Part "B"
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Under Part "B", Title IV, there has been a tremendous growth in the technical assistance, teacher training, educational services, and development of culturally relevant curriculum for Indian schools. Many of these programs have filled [illegible] professional and technical gap existing when Indian people entered upon [illegible]ucational scene.

Fort Belknap operated (2) Title IV, Part "B" Projects during 1977-1983 under which many services were provided including: counseling, parent committee training, curriculum development, technical assistance to schools, and research into Indian Education issues. Under these projects the Education Department was able to record and transcribe a very extensive amount of historical and cultural information. Many of this information would not be passed on to future generations if it had not been recorded in a timely manner.

3. Part "C" - Adult Education
****

Fort Belknap has been fortunate to have operated a Title IV, Part "C" Project since 1977. Under this authorization the Fort Belknap Adult Education Project has provided services to over 1500 Indian adults, 350 Indian adults have received adult basic education services, 180 Indian adults have completed their high school equivalency diploma (GED), 700 Indian adults received services through first-aid classes, education training, cultural enrichment classes, etc., 960 Indian adults received services in job placement, counseling, life coping skills and consumer education, 290 Indian ranchers and farmers received training in beef and crop production, artificial insemination, ranch management, etc. Similar Indian adult education projects have as impressive records on other reservations, and in some cases, are even more impressive.

Fort Belknap is operating a Computer Aided Instruction Demonstration Project, under Part "C", which will demonstrate the introduction and utility of computer assisted instruction in adult education. This project anticipates the impact and use of the computer in education and is striving to determine how it can best be used to advance education for Indian people.

The Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults. While significant gains were achieved in the 1970's and early 1980's, the American Indian and Alaskan Native continue to be the most economically and educationally disadvantaged group in this country. It is still the case that:

> INDIAN STUDENTS attend and complete school, as well as enter and complete higher education, at rates far below their majority counterparts;
>
> UNEMPLOYMENT RATES for Indian adults and poverty rates for Indian families, greatly exceed rates for the majority population; and,
>
> HOUSEHOLD INCOMES are significantly lower for Indian families than for non-Indian families.

The U.S. Congress has recognized that by improving the educational IN RECOGNITION OF THE SPECIAL RELATIONSHIP AND TRUST RESPONSIBILITY EXISTING BETWEEN INDIAN TRIBES AND THE FEDERAL GOVERNMENT, TITLE IV, THE INDIAN EDUCATION ACT OF 1972, MUST CONTINUE IN THE FUTURE.

At this time I would like to make recommendations for an increased appropriations for Title IV based upon the present administrations efforts to reduce funding and to ignore the federal trust responsibility to the Indian people of this country and the increased educational needs of the American

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Indian.

I am formally recommending that:

a) Part "B" funding be increased from $12,000,000. to $17,000,000. or an increase of $5,000,000.

b) Part "C" funding be increased from $3,000,000. to $6,000,000. or an increase of $3,000,000.

Mr. Chairman and other distinguished members of the Committee, Indian people do not want to return to the 1930's. Our success and achievements in the 1970's and 1980's are attributed largely to the Indian Education Act of 1972. We have come a long way in the past twelve years.

We are dependent upon the Congress of the United States to guarantee our right to self determination and an adequate education. We have presented our case with accuracy and trust your judgement to insure our future as a people.

Thank you very much for allowing me to submit this testimony to this very distinguished committee of the U.S. Senate.

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Mr. **Alexander**. Ms. Fenton, would you like to summarize your statement? Then we will have some questions.

STATEMENT OF KAREN CORNELIUS-FENTON, DIRECTOR, NATIVE AMERICAN GRADUATE FELLOWSHIP PROGRAM, MONTANA STATE UNIVERSITY

Ms. **Cornelius-Fenton**. Thank you very much.

My name is Karen Cornelius-Fenton. I am currently the director of the Native American Graduate Fellowship at Montana State University. I am also president of the Montana Indian Education Association and first vice president of the National Indian Education Association.

I, too, have numerous areas of concern within my testimony but would like to limit my discussion today to the areas of title IV, part B and, most specifically, the EPD program, although I would like to just briefly summarize a few of the things that have been happening in part B over the years.

In Montana we have had a number of very successful part B programs. At a time when I was tribal education director for the Flathead Tribe, I remember that through that—part B—and through numerous other funding areas, we were able to start our Tribal Alternative School. This was only one of the innovative kinds of programs, and has since become a tribal contract school and is progressing very satisfactorily.

There has been tremendous growth in technical assistance, teaching, teacher training, education curriculum, and I think the key thing is the development of relevant curriculum in both our public schools and private schools that have come through the part B program.

One type of service, I think, that is very important, in those areas, is the parent advisory committee training. It has given an opportunity for our parents to become more involved in the education of their children.

We have also had numerous types of innovative counseling programs, and again the curriculum development. Some of the programs have developed cultural components that have assisted, I think, in decreasing our dropout rate and making our students more aware of who they are, gaining a better self-image and much more self-respect.

In the areas of EPD programs, the educational personnel development programs, there are three different kinds of programs: the individual fellowships, the "1005(d)" programs, which are the graduate-level programs out of higher institutions; and the "422" which are basically the teacher training.

In the State of Montana, we currently have three different programs that are funded within the EPD. Two of them are under "422". The Blackfeet Tribe, through Blackfeet Community College, has a teacher training program and has graduated—I cannot give you the specific number, but they have graduated a number of students who have stayed within basically the confines of the Blackfeet Reservation to become teachers within the public schools and in the tribal college.

The Montana United Scholarships Program, an Indian-organized program in the city of Great Falls and in conjunction with the College of Great Falls, which is a private college in Great Falls, also has had numerous graduates from their program. They, too, have terminated. Many of them are in the Great Falls school system and have been extremely important in again helping with the decrease in dropouts. Great Falls has had one of the highest dropout rates of Indian students in the State of Montana.

Through the assistance of these kinds of teachers and through the program that they have been involved with, I think they have become very key role models as well as working through the Indian education program.

The program at Montana State University has, since its inception in the fall of 1976, graduated some 50 students, all who have gone into Indian programs with the exception of 1 who is teaching in a nonreservation school. The remainder of them are ranging anywhere from academic deans of tribal colleges to deans of student services programs. A couple of them are tribal college presidents. They range from bilingual teachers right on through, like I said, the community college presidents. One of them at one time was the division chief for student support services in Washington, DC, for the Bureau of Indian Affairs. She has since left and is working as a consultant for the National Indian School Boards Association.

We currently, at this program, are not a title IV funded program. As of December 31, we lost all title IV funding. We were one of those programs who—our grant was up in December of 1982—excuse me. Actually, it was up August 3, 1983. We were able to get a no-cost budget extension through January 31, 1983, for direct student costs; the university picked up my salary. The university has since picked up the whole program with the idea that it is an important enough program that the students should not be dropped midway through masters and doctoral programs.

I think that the president of our college, Dr. William Tietz, deserves a great deal of credit for his commitment to Indian tribes which he has proclaimed over and over. He is the first president, I think, who probably ever went out and visited Indian reservations and said, "What can we do for you? As a land-grant college, you are a part of our constituency." He has worked toward that. He says that he wants to continue the program. We are, of course, working on a new grant now that we have had the opportunity.

Funding from the university probably cannot continue. Montana State University is like any other university; it is up against numerous financial odds. This past year we had numerous calls from people, particularly from the Northwest regarding the program. In the past, the program has been directed pretty much to Montana students; nearly all of our students that have graduated from Montana State have returned to programs within Montana.

We nowhere have hit what we need, though. We have currently three Indian superintendents in the State of Montana public schools. We need far more than that. Without this kind of program, we are going to be faced with a situation of being at a standstill in the kinds of programs that we can offer.

I think the other thing with the graduate fellowship program that has been happening and is happening more and more as the years—actually months—go by, is the cooperation between the fellowship program at Montana State and the tribal community colleges in Montana. We now have six, with a seventh satellite program. We have been working very closely with two of the tribal colleges, in particular, to develop cooperative programs and an affiliation with one of them.

We hope to sit down with all of these different people to develop course syllabi that will be comparable so that the transition from the community college to the 4-year programs will be very smoothly made.

We also now have another program that is going to tie in very closely with the community colleges, and that is an NIH-funded minority biomedical research program.

All of these different areas, I think, are programs that are what we need in Montana, what we need nationwide. We look at the Penn State Program and the number of people who have come out of that, who have gone back to key positions in Indian country. These people are not only in key positions but they again are also fine role models for Indian youth, and I point out a couple of those people, Dr. Swan being one of them; Dr. Gerald Gipp, who is a graduate of Penn State is a prime model for Indian youth at Haskell and nationwide. Dr. Swan is a graduate of the University of South Dakota Fellowship Program, which is no longer funded, either.

We are losing some of the key programs. I think that the implications of the loss of these graduate programs we may not feel immediately because we have a few good people out there, but the implications in the next year or two and then down the road are going to be drastic. I think that without these kinds of programs, we are going to go back to where we—like Bob said, we do not want to go back to the 1930's; we want to continue to progress.

We are pursuing a supplemental in the areas of B and C. Bob mentioned the C. We are pursuing a supplemental for B, specifically EPD and educational services.

We have a supporting resolution. I do not have that with me, but there is a supporting resolution that was passed at the San Jose convention for the National Indian Education Association in line with that, also.

So, these are some of the key areas where we are looking at funding. We feel that the funding needs to be restored to the 1981 level. We are requesting that part B funding be increased from $12 million to $17 million, which is an increase of $5 million, specifically in the area of EPD and educational services.

There are numerous other areas that I could expound on, but I would like to leave it open to questions. I thank you for the opportunity of making my statement. I have, as I said, my written statement that I have submitted. Thank you very much.

Mr. ALEXANDER. You are welcome, and your written statement will appear in full in the record.

[The prepared statement follows:]

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PREPARED STATEMENT OF KAREN CORNELIUS-FENTON,
PRESIDENT, MONTANA INDIAN EDUCATION ASSOCIATION
and
DIRECTOR, NATIVE AMERICAN GRADUATE FELLOWSHIP PROGRAM
MONTANA STATE UNIVERSITY, BOZEMAN, MONTANA

Mr. Chairman and Members of the Committee. Thank you for the privilege of appearing before you today. My name is Karen Cornelius-Fenton (Flathead/Oneida). I am currently employed at Montana State University, Bozeman, Montana, as Director of the Native American Graduate Fellowship Program in Education. I am also the President of the Montana Indian Education Association. Montana Indian Education Association (MIEA) is an association comprised of Indian administrators, teachers, counselors, parents, students, and other concerned people. The major objective of our association is the advocacy for and improvement of educational opportunities for the American Indian people of Montana, not only within the State of Montana, but nationally as well. Incidentally, at the present time, I am also serving as the First Vice-President of the National Indian Education Association. Today, however, I am representing only the Montana Indian Education Association and the Native American Graduate Fellowship Program of Montana State University.

As a parent and an educator, I am extremely concerned with the direction in which Indian education appears to be headed; our current administration continues to question the federal role in education as it pertains to American Indian education and has openly stated that the education of American Indians is not a trust responsibility. Now, then, as the leaders of a country that once belonged to the Indians, can they overlook the fact that virtually every treaty entered into between the United States government and the tribes contained provisions for educational services; in addition, a series of executive orders and congressional acts have sequentially portrayed the commitment of this great country to educate its Indian population. These date back to the 1700's when, for example, in 1775, the Continental Congress approved $500 to educate Indians at Dartmouth College; to 1879 when Carlisle Indian School was established; to 1921, when the Snyder Act authorized program services to Indians through the Bureau of Indian Affairs; 1934 saw the passage of the Johnson O'Malley Act authorizing education, medical and agricultural assistance for Indians; in 1950 the federal government recognized their responsibility to provide financial assistance to public schools educating Indian children whose parents reside on tax-exempt, federal property through the Impact Aid/Public School Construction Act; to 1960 when President Dwight D. Eisenhower instructed the Secretary of Interior to accelerate efforts in providing education for all Indian children; in the early '70's, President Nixon announced an era of Indian control over decisions affecting that particular constituency and that included education; in 1972, through the passage of Title IV, the Indian Education Act, the special educational and culturally relevant academic needs of Indian children and adults were addressed; in 1975, the Indian Self-Determination and Education Assistance Act granted tribes the right to contract for programs previously administered by the Bureau of Indian Affairs. This brief chronology by no means contains all actions relative to Indian education but does highlight this country's efforts to meet the educational needs of its' Indian people.

Having had the opportunity to serve as the Director of the Human Resources Development Program for the Confederated Salish and Kootenai Tribes of the Flathead Reservation of Montana from 1973 to 1980, I experienced the positive impact which tribal contracting can have for it's tribal members. Our initial contract was a "Buy Indian" contract and included all employment assistance services and higher education scholarships administration. Incidentally, we were the first tribe in

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the Billings Area to contract our employment assistance and education services. Following the passage of the Indian Self-Determination and Education Assistance Act in 1975, we began to contract under the auspices of that Act and did then include the administration of Johnson O'Malley programs. Tribal contracting has been beneficial to those tribes opting to do so as it does allow for Indian input, including determining priorities, as well as the development of guidelines and policies most relevant to a particular tribe.

Last year we were here primarily to oppose the Administration's proposal to rescind $16 million of the FY '83 Title IV budget and the proposed $1 million "phase out and termination" budget request for FY '84. Fortunately for the Indian people of this country, Congress understands and is much more committed and responsive to the needs of Indian people than is the President and his staff. I'm sure that there many Indian people who were very surprised to see that the administration saw fit to propose a budget comparable to last fiscal year - $68,780,000; we would be fooling ourselves if we believe that the administration has become more responsive to our needs - we realize that it is an election year! We also realize that the President is aware of the responsiveness of Congress to the educational needs of the American Indian people; I think that was made very obvious last year when Congress did not approve his proposed budget - or lack of.

When the Higher Education Act of 1972 with the inclusion of the Kennedy Amendments - Title IV, Indian Education - was signed into law on June 23, 1972, we saw the beginning of a new era in the education of Indian people. The progress made in Indian education during the past eleven and one-half years is phenomenal; the '70's were truly a decade of change for the American Indian people - not only educationally but culturally, economically and politically. Title IV has given Indian people the opportunity to establish priorities and to plan relevant education programs which enhance and/or meet their diverse educational needs. I stress diverse because in Montana alone we have seven reservations encompassing ten tribal affiliations not including the "landless" or Little Shell Band of Indians; nationally, there are two-hundred plus - all with distinct, unique, and very diverse needs.

I believe that Montana is still the only State in the nation that through it's State Constitution recognizes it's Indian constituency(Article X, Section 2):

> "The State recognizes the distinct and unique cultural heritage of the American Indians and is committed in its educational goals to the preservation of their cultural integrity."

State and national recognition of needs of Indians is a step in the right direction. Abolishment of relevant, successful programs is hardly the avenue to the enhancement of recognized success. Though the Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults, and though we are seeing significant gains being achieved, the American Indian and Alaska Native populations continue to be the most economically and educationally deprived segments of this country's population. It is still the case that

- Indian students attend and complete high school, as well as enter and complete post-secondary education at rates far below their majority counterparts;
- unemployment rates for Indian adults and poverty rates for Indian families, greatly exceed rates for the majority population; and
- household incomes are significantly lower for Indian families than for non-Indian families.

Congress, in its' responsiveness to the above, has recognized that this cycle of

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poverty and dependency can be broken by the improvement and provision of educational opportunities for Indian people; however, these opportunites must be such that Indian people can determine their own priorities and most relevant needs.

As we approach re-authorization for Title IV, numerous questions are bound to arise; one is undoubtedly going to be that of duplication of programs. For years we have heard the same story - that Title IV is a duplication of JO'M and/or Impact Aid. We are always told that "Indians living on or near reservations are adequately served by the Bureau of Indian Affairs, and that Title IV duplicates JOM or Impact Aid programs. The Bureau has often responded that it cannot possibly take over these supplemental programs and that they do not duplicate. Another argument often used by the administration for rationale for elimination of Title IV is that persons not in BIA service populations, not "on or near" areas, can't be served because they aren't residents. How can residency dictate who is or is not Indian. How quickly the government forgets those tribal lands, services and tribal members who were terminated by them, or how the government in the 1950's saw fit to relocate masses of Indian people to train them, only to leave them to their own resources when training was terminated - whether through successful completion of training program or through dropping out of their training program. Am I, who is nearly a fullblood, not an Indian because I live in Bozeman, Montana, which is basically isolated from the seven reservations of Montana; and because I chose to go to work for a University with a large Indian enrollment in hopes of helping Indian people to gain an education that will enhance their opportunities for decent jobs? This rationale is not only a show of ignorance but one of insensitivity!

At the present time, 42 Montana public schools are receiving approximately $2.5 million of Title IV-A funding to provide supplemental educational services to 11,000 eligible Indian students. In addition, Montana Indian tribes and organizations, receive a substantial amount of money under Title IV, Parts B and C; unfortunately, this past year has seen the demise of two very important programs because of the funding cutbacks. The Fort Belknap Reservation, through its' Part C, Adult Education program assisted nearly 200 Indian adults to receive their GED's. A number of these graduates went on to college, joined the military service, or were able to find gainful employment. That program, like so many others, has lost its' funding; a very important and viable program is lost yet had only begun to make an impact on that particular reservation. It somehow seems so senseless that our Indian people suffer loss of funding for necessary programs to assist in the elimination of poverty, unemployment, etc.; yet, we send millions upon millions of dollars to El Salvador and other foreign countries for basically the same reasons. Let's take care of the home front first.

Montana once had three programs funded under Part B - sections 1005(d) and 422; Education Personnel Development. I say "once had" because as of December 31, 1983, The Native American Graduate Fellowship Program in Education lost its' funding; we actually were funded through the end of August but were able to obtain a no-cost budget extension through December. It is truly fortunate for us and the whole of Indian country in Montana that Montana State University President William Tietz is a man who when he first came to Montana in the mid-70's made a commitment to Indian people. When it became apparent last January that there would be no new funding for EPD 1005 grants, he assured us that somehow the dollars would be found to continue students currently in their graduate programs. In May, he reaffirmed that commitment to the Montana Inter-Tribal Policy Board at their meeting held on our campus at his invitation. We currently are carrying six students in varying stages of their master's and doctoral programs with all the same financial and counseling support as allowed by the Title IV EPD grant. However, because of the

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financial status of the University, it is doubtful that we can receive funding beyond the spring quarter; summer at the very most. The Fellowship Program since its' inception in the fall of 1976 has graduated some fifty Indian students with graduate degrees in varying areas of education. To date all but one of those students are working with Indian people in jobs varying from tribal community college president, academic dean, dean of student services, superintendent of a public school, assistangt superintendent of a public school, to name only a few. The two teacher training programs funded under section 422 of the Education Personnel Development, Part B, are also very vital to the teacher education of Indian people in Montana and also play a very integral part of the development of qualified Indian people in our school systems. The one program is located on the Blackfeet Reservation and administered by the Blackfeet Community College; the other is administered by a Great Falls-based Indian organization in conjunction with the College of Great Falls.

As I stated earlier, Montana has seven reservations serving ten distinct tribal groups. All of the seven reservations now have tribally controlled community colleges or a satellite program of one of the other colleges; these tribal colleges are in varying stages of development: three have candidacy status and will be reviewed for full accreditation in this coming year. The three EPD programs aforementioned - the Native American Graduate Program at MSU and the two teacher training programs - play a major role in supplying qualified personnel to the tribal colleges. particularly the graduate program. In the last two years, the majority of the NAGFPE participants have pursued M.Ed.'s or D.Ed.'s in Adult and Higher Education, thus making the Montana State University program a major feeder institution to those tribal colleges. Montana, with its large Indian population, is in dire need of qualified professional Indian educators and the Fellowship program is one of the greatest contributors to that fulfillment of need. The support for this program is overwhelming - from all reservations, former students, tribal colleges, as well as MSU faculty, most particularly the administration. We have most recently begun to work with two of the Tribal colleges, at their request, to develop course syllabi comparable to MSU's so that transferability of credits can be a smooth process, thus allowing for an easier transition for those students completing work at the tribal college and desiring to continue at a four-year institution.

The examples cited of the implications of loss of funding under Title IV for the State of Montana are only a small sampling. It is interesting to note that the total budget for the Great Falls Public School system is in excess of $40,000,00, yet our total budget for Part A is not much more than that for schools nationwide!

At a meeting held last Friday, February 17, 1984, the Montana Indian Education Assoc. hosted educators from across the state to discuss and make recommendations relevant to the FY '85 education budgets which will affect us in Montana. Following that meeting, the Board of Directors of the MIEA, at an officially called meeting, adopted all recommendations. I have attached for your perusal and hopefully careful consideration, our recommendations.

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ADDENDUM TO TESTIMONY
OF
KAREN CORNELIUS-FENTON,
PRESIDENT, MIEA

The Montana Indian Education Association makes the following recommendations:

TITLE IV:

1. That Title IV be funded at no less than the FY '81 level.

2. In order to cover cost of living increases, we recommend at least a 12% increase over the preceding years appropriation.

3. That reauthorization of Public Law 92-318 be for a minimum of five years.

4. That reauthorization field hearings be held in strategic places around the country, and that the State of Montana be the site of one of those hearing. It is our strong opinion that the "grassroots" people need to be heard; people that do not always have the opportunity to travel to Washington D.C.

5. That direct funding from The Washington D.C. based OIEP/DE to school districts continue.

6. That consideration be given to funding of Title IV student to a comparable per pupil ratio to programs such as Chapter I. (ie Chapter I student receives $1000 per capita, Title IV student, $150 per capita)

7. That multi-year grants to LEA's be reauthorized.

8. Recommend that the Title IV - Part A, law be amended to allow local Indian schools be eligible for establishment monies after their three year enrichment grants are up.

9. That money be appropriated for Title IV Part A demonstration grants for local Indian schools.

10. That Congress support the supplemental request for 1.8 million for FY'84 and same figure for FY'85 to bring Part B EPD funding level back to the FY'81 level. This would include both sections - 1005(d) and 422.

11. Support a 2 million dollar supplemental for FY '84 and FY'85 for Part C, Pilot, Planning and Demonstration.

12. Part B- Educational Services was funded at $4 million, currently $3.5; therefore, there is a need for .5million dollar supplemental.

13. Part C - Educational Services was funded for $3.8 million now at $1.2; therefore recommending supplemental of 2.7 million for educational services. It is our opinion that there are sufficient PPD(Pilot, Planning and Demonstration); that we now need more services to the people.

14. Montana strongly recommends that the $2.3 million appropriated for the five Resource and Evaluation Centers be put back into B and C categories, specifically EPD and Educational Services, and that projects be allowed to hire Training and Technical Assistance as deemed relevant and necessary. It is our belief that our PAC's and project people have reached a level of sophistication and have outgrown the need for the services (or lack of services) received from the Centers. It is our belief that each individual project can better determine the types of expertise necessary.

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HIGHER EDUCATION(BIA)
Because it is difficult to impact higher education because it is all based on ZZB, we recommend that maintainance of current levels continue.

TRIBALLY CONTROLLED COLLEGES
Because the FTE count has increased substantially over the past few years, it is the recommendation of the NIEA that the Bill be funded at the $4000 per FTE as legislated by law; with a minimum request of back to the $2812 FY'84 level. Also, that the FY'85 budget include funding for the endowment and construction as authorized by law.

VOCATIONAL EDUCATION
For FY'84 , we recommend that the BIA match the $6.4 match as supplemental bill and that the BIA be made to meet the statutory law for matching since the inception of the one percent set aside went into effect; this has meant that over the years vocational educational programs for Indian people have suffered about a $30,000,000 loss.

We recommend a 2% set-aside as recommended by Senate Language which would increase FY85 funding level to 12.8 million dollars.

STUDENT FINANCIAL AID
Recommend that SEOG be funded at FY 84 level.(The current proposed budget proposes that all but is replaced by workstudy)

Recommend that the $300, 000,000 increase in work/study be placed into SEOG.

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Mr. **Alexander**. I assume you were both here during the brief discussion with the administration witnesses about the title IV rules and regulations that were published, proposed rules and regulations, published on January 23.

Dr. Swan, what are your views of those regulations and what effect would they have if they were implemented as drafted?

Dr. **Swan**. I think it is very unfair to place these upon Indian parent committees, educators, et cetera, at this point in time--the regs were published on January 23 with a comment period ending March 23.

We are also faced with having to write our proposals under A, B, and C, which are due March 16. Now, they keep telling us we have to submit quality proposals, and I think we do write quality proposals. However, it takes 100 percent of your time if you are a grantsman, to write these proposals, and I wear many hats at Fort Belknap, and one is the grantsman.

I do not have time to look at the proposed rules and regs and give you an objective view of those rules and regs except for a couple of areas. One is the parent committees' makeup. I have not had a chance to study them. Some of my colleagues say there are some big problems with the makeup of the parent committees.

No. 2 is in the area of priority points. In the past rules and regulations, priority points were given to the Indian tribes and organizations on all the part B and C money, which would include educational services, the EPD's and PPD's. However, this year under part C, educational services, there are no priority points given to the Indian tribes and organizations.

The effect of this will be to allow a State education agency or a local education agency to compete with the Indian tribe or organization. As you know, those people are much more sophisticated in writing skills than the average Indian parent committee or Indian tribe.

And so I think there are problems with the rules and regs, but I do not have sufficient time to react. I would like to recommend to this committee that you extend that period or request the Department of Education to extend that period another 60 days, up until May 23.

Mr. **Alexander**. Ms. Fenton, do you have any comments?

Ms. **Cornelius-Fenton**. I agree with Bob on the extension. I think it is very important. For one thing, I think that in order for our parent committees to have an opportunity to respond, it may take people like Dr. Swan, who is out in the field, to be able to sit down and explain some of those things that need to be changed, explain some of the things that are in the rules and regs. Within the seven reservations in Montana, we have a very diverse kind of population, and I think it is important that the key educational administrators on the reservations have that opportunity to get out to meet with the parent committees.

Without that 60-day extension, that is absolutely virtually impossible because they will be working, as we all will be, trying to get our proposals in by the 16th.

So I concur with the 60-day extension, and I think it is very important.

Mr. **Alexander**. Thank you.

You mentioned part B and C grants. We understand that there are multiple part B and C grants to the same geographical or service areas. What is your view of these multiple grants? Also, how do you feel that B and C funds should be distributed to tribes and organizations on an equitable basis?

Dr. SWAN. Well, If you take a look at the slate—and I do not have the latest slate in front of me—and take a look at the multiyear grants, in addition to the ones which were funded this year, you will find that in some areas there are a large number of B and C grants going into small pocket areas.

I think, to be fair, the committee must take a look at equitable geographical distribution of part B and C funds throughout the country. As reported earlier in testimony this morning, what does the small tribe have to place against sophisticated proposal writers? There is nothing saying right now—it is hypothetically possible the one Indian tribe or one Indian organization could write grants under B and C and submit a number of grants and wind up with all the grants. This has got to be corrected in the future where there is equitable geographical distribution of B and C funds throughout Indian country.

Mr. ALEXANDER. Ms. Fenton?

Ms. CORNELIUS-FENTON. I think the other thing as far as equitable grants may have to do with readers, and I think there needs to be an equitable distribution of readers from the various geographic areas so that we can have more objective viewpoints, more objective thoughts toward each of the proposals.

I agree with Bob in that there does need to be more equitable distribution of grants. We see areas where there may be five and six grants. Then we see areas where grants are essentially needed and are without. I see a number of areas within the State of Montana right now that have lost some very key grants and this is going to affect their programs drastically.

So I guess my thoughts are both equitable distribution but also in choosing readers that there be equitable geographic distribution of readers, and people who are knowledgeable of the various parts for which they may be reading.

Mr. ALEXANDER. Thank you.

In the critical professional areas, Ms. Fenton, which you identified in 1972 and 1978, do you think we are at a point where we need to reassess those and perhaps expand the fellowship into developing careers like high technology and perhaps other areas?

Dr. SWAN. I definitely believe that the critical areas must be studied. There should be some type of assessment made by Indian education programs directly with the Indian tribes and organizations saying what are your critical areas. For one tribe, a critical area may not be critical to another tribe. It should be based upon local needs.

For example, at Fort Belknap we need foresters; we need people in computer technology. There are other high-technology fields that are beginning to open up for Indians, and we should look at training Indians in those areas. We have been training people in the five so-called critical areas since 1972. Some of these areas are not becoming so critical any more. I feel we have got to look at areas that are critical to individual Indian tribes.

Mr. ALEXANDER. Thank you.

I will just mention, for your information, that in our hearing on Tuesday with the Bureau of Indian Affairs, which has some educational function, that we were pleased to see the developing numbers of lawyers, doctors, and educators that had been statistically shown over the last 5 or 10 years. But the committee was quite concerned that professions like master's of business administration, engineers, foresters, did not show any sort of growth whatsoever. That is a concern of ours, too.

We appreciate your comments and your coming a long distance today. Thank you for testifying.

Dr. SWAN. Thank you.

Mr. ALEXANDER. David Gipp and Melvin White Eagle.

Welcome. I would like to convey Senator Andrews' greetings to you both today.

Mr. GIPP. Thank you very much, Mr. Chairman.

Mr. ALEXANDER. Proceed as you will. Please identify yourself for the record.

STATEMENT OF DAVID GIPP, PRESIDENT, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER, BISMARCK, ND, ACCOMPANIED BY MELVIN WHITE EAGLE, CHAIRMAN, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER BOARD OF DIRECTORS, AND MEMBER, STANDING ROCK SIOUX TRIBAL COUNCIL, FORT YATES, ND

Mr. GIPP. Thank you, Mr. Chairman.

I am David Gipp, president of United Tribes Educational Technical Center. Accompanying me is Mr. Melvin White Eagle, who is the chairman of the board of United Tribes Educational Technical Center.

We would like to thank you for the opportunity to submit our testimony. At this time, we would like to enter our full written statement for the record.

Mr. ALEXANDER. It will appear that way.

Mr. GIPP. We will summarize our statement at this point.

What we would like to do is, I will provide the summary and Mr. White Eagle will provide the basic recommendations, if that is acceptable.

Mr. ALEXANDER. All right. It sounds good.

Mr. GIPP. I will not go into too much detail about the united tribes except to say that it is now operating for the past 15 years as the only intertribally owned and founded vocational Indian technical school, and it is owned by the five tribes who are located in whole or in part in North and South Dakota. Those include the Three Affiliated Tribes of Fort Berthold, and Devils Lake Sioux of Fort Totten, the Turtle Mountain Band of Chippewa, the Standing Rock Sioux, and the Sisseton-Wahpeton Sioux, the latter two of which are located in North and South Dakota.

For the past 5 years, the United Tribes Educational Technical Center has been a recipient under the 1-percent set-aside for Indian vocational educational programs. More to the point, our testimony deals with the discretionary programs that are offered under the Vocational Education Act of 1963 as amended in the Education

Amendments of 1976, and more specifically title I, part A, section 103, that establishes the tribal set-aside for Indian vocational education.

The Project DISCOVER Program is the acronym, and that is, more specifically, a design for Indian students through cooperative opportunities in vocational education and research. It has been in operation since 1978. There have been four community colleges located on four of the North Dakota reservations which have been participating in this consortium for the past 5 years, offering up to 21 different vocational education courses throughout this past time.

Our plan for the fall of 1984 was to add the Sisseton-Wahpeton Sioux Community College to this consortium so that a total of six postsecondary institutions would have been participating.

Some of those areas that we provide training include such areas as building trades, nursing, child care, farm and ranch, secretarial, criminal justice, human services, small business management, and midmanagement areas, to name a few. New skills have been developed and have enabled many of our Indian people to obtain jobs, thereby contributing to their own self-sufficiency and the economic well-being of their families and of the reservations where they reside.

Traditionally, however, vocational education opportunities for Indian people have been extremely limited. Indian people often have had to travel great distances from thier home communities to receive any type of training. Traditionally, the Federal and State vocational education moneys have not been available to Indian communities. Receipt of State money has in part been dependent upon the inclusion of projected programs in State plans. However, too often few States have included Indian reservations in their State plans, and in effect, this has prohibited reservations from receiving any type of State or Federal passthrough money.

Therefore, Congress partially addressed the needs of Indian communities with the passage of a set-aside in 1976. The 1-percent set-aside program represents that first attempt. As originally mandated, the Department of Education dollars were to be matched by the Bureau of Indian Affairs. For the past 5 years, the Bureau of Indian Affairs has successfully obtained congressional waivers to avoid the matching requirement. In effect, this has reduced by one-half the dollars available to Indian tribes and organizations and severely limited the number of tribes that can be funded each year.

For Project DISCOVER, the limitation of funds will be very drastic and have immediate consequences. Beginning in September 1984, this consortium will not be funded by the set-aside, since we lost out through the discretionary process. The impact that it will have on just North Dakota tribes alone includes the fact that at least 4 of our 12 vocations at United Tribes will be lost. Fort Berthold will lose up to four of their training programs, which represents at this time their entire vocational education effort.

Turtle Mountain College will lose five programs alone. Little Hoop Community College at the Devils Lake Sioux will have a loss of their four training programs, a loss of 60 percent of their total funding, and a loss of six full-time and two part-time positions there.

Standing Rock Community College, another participant, will lose four training programs themselves; and the Sisseton-Wahpeton Community College, which would have joined us this fall of 1984, simply will not be able to implement anything.

In all, we will lose a total of 24 different vocational programs that will affect this area, Mr. Chairman. The absence of funding will virtually eliminate the establishment of any linkages between vocational education and tribal economic plans.

It will certainly not only cause reduction in the size of opportunites that are available locally but will also constrict any of the opportunities that are available individually and in terms of what the tribes may have planned for business and economic development locally.

At this point, Mr. Chairman, we believe that programs like Project DISCOVER must continue and that they have a significant impact upon each of our reservation economies, and that it is something that the Department of Education and the Bureau of Indian Affairs ought to consider very seriously as they look at the issue of self-sufficiency and tribal economies themselves.

I want at this point, then, to introduce our recommendations, which I would ask Mr. White Eagle to present.

Mr. **White Eagle**. My name is Melvin White Eagle. I am a tribal councilman for the Standing Rock Sioux Tribe and the chairman of the board of directors for United Tribes Educational Technical Center.

We have some recommendations I would like to read into the record. No. 1: In light of the successes of Indian set-aside programs like Project Discover over the last 5 years, we recommend to the Federal Government that a set-aside for Indian tribes be included in the reauthorization of the Vocational Education Act at a level of not less than 2 percent, particularly if the Bureau of Indian Affairs continues to avoid providing the matching funds for the set-aside.

No. 2: Unless the Department of Interior's Bureau of Indian Affairs can demonstrate commitment and accountability in administering the set-aside program and can clearly illustrate a definite vocational education policy, we recommend that the Department of Education continue to be the administrative agency for the set-aside program and funds.

No. 3: We strongly recommend that the integirty and identity of the Indian set-aside be maintained upon reauthorization, and that such funds be made directly available from the Federal Government to tribes and tribally approved organizations in accord with the existing rules of Public Law 93-638, the Indian Self-Determination and Education Assistance Act.

At this time I would like to have Mr. Gipp make other comments.

Mr. **Gipp**. Mr. Chairman, in addition to the fact that we have noted in recommendation No. 1 that the set-aside be not less than 2 percent—in other words, expanded by 1 additional percent—and the fact that partially as a result of the fact that the Bureau of Indian Affairs has avoided providing the match, we believe, nevertheless, that the Bureau of Indian Affairs does have a responsibility, particularly since this set-aside is augmented through the auspices of Public Law 93-638, the self-determination law.

We believe that some strong language needs to be provided relative to the Bureau of Indian Affairs and indicate that the Bureau of Indian Affairs shall transfer to the Secretary of Education the amount of matching funds required by section 103 of the Vocational Education Act as amended, and to support vocational education programs for Indians authorized by that section.

In other words, what we are really saying is that the Assistant Secretary and the Secretary of Interior ought to be directed to provide that match very clearly; and that it ought to be transferred over to the Department of Education. That is one of the problems we have with the existing language, aside from the fact of discussing the percentage itself.

Mr. WHITE EAGLE. In addition to the preceding recommendations, United Tribes Educational Technical Center would like serious consideration given to one final recommendation. This is the issue of supplemental appropriations for the 1984–85 grant period.

Beginning September 1, 1984, the Department of Education will fund 30 Indian vocational projects. A total of 80 potential grantees applied for the funds available. The applications being funded represent the entire $6.2 million available for the 1-percent set-aside.

In addition, less than 60 of the 246 Federally recognized tribes have received grants under the set-aside to date. The fact that the available resources can fund only 30 of the 80 applications in the upcoming year clearly demonstrates the size of the unmet need existing in Indian vocational education.

Not only will highly successful programs like Project Discover cease to exist, but equally important is the fact that many tribes continue to be denied the opportunity to develop vocational education that is appropriate to the tribal needs.

As originally legislated by Congress, in the upcoming year alone, there should be an additional $6.2 million available for programs. This would mean that an additional 20 to 30 projects could be funded.

The last recommendation of which we request consideration is, in light of the established unmet need for Indian vocational education dollars, we request that the Federal Government seriously consider a supplemental appropriation for the 1984–85 grant year and that this supplemental appropriation should be equal to that $6.2 million to be expended by the Department of Education.

Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF THE UNITED TRIBES EDUCATIONAL TECHNICAL CENTER, SUBMITTED BY DAVID GIPP, PRESIDENT

Mr. Chairman, thank you for the opportunity to submit this testimony for the record regarding the One Percent Set-aside for Indian vocational education. More specifically, this Discretionary Program for Indian Tribes and Organizations was authorized by the Vocational Education Act of 1963, as amended by the Education Amendments of 1976, Title I, Part A, Section 103 (a)(B)(iii).

INTRODUCTION

United Tribes Educational Technical Center (UTETC) is a unique inter-tribal vocational technical school. Located on a 105 acre campus three miles south of Bismarck, North Dakota, UTETC is a state chartered non-profit corporation owned and operated by the five reservations located in whole or in part in North Dakota. These include Fort Berthold, Fort Totten, Turtle Mountain, Standing Rock and Sisseton-Wahpeton. Control of the corporation is vested in a Board of Directors comprised of two members from each tribal council.

Originally established in 1969, UTETC has been in continuous operation for the last fifteen years. The last fourteen years have been under Indian management. The student population of UTETC is drawn from 40 Indian tribes throughout the country. A majority of UTETC's students have never spent more than one year away from their reservation. Many students have histories of chronic unemployment due to a limited job market on the reservation. These students are further handicapped by educational deficiencies which are well below the national average. UTETC, therefore, has for the last 15 years provided an educational environment designed to fit the needs of the diverse tribal clientele.

Organized as the first tribally controlled residential vocational school in the nation, UTETC presently operates under the auspices of P.L. 93-638, the Indian Self-Determination and Education Assistance Act. Over the years, UTETC has developed a training program that not only provides the vocational and job related skills, but also the various individual and family skills the student will need to responsibly function in our society.

BACKGROUND

For the past five years, UTETC has been the recipient of a One Percent Set-aside grant focusing on vocational and technical training for Indian adults. In addition to the UTETC program, this grant also funds vocational programs at four tribally controlled community colleges located in North Dakota. This consortium is known as Project DISCOVER (Design for Indian Students through Cooperative Opportunities in Vocational Education and Research).

In 1978, Project DISCOVER was initiated by four North Dakota Indian

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educational institutions. These schools were: UTETC at Bismarck, North Dakota; Fort Berthold Community College (FBCC) at New Town, North Dakota --serving the needs of the Three Affiliated Tribes; Turtle Mountain Community College (TMCC) at Belcourt, North Dakota--serving the needs of the Turtle Mountain Band of Chippewas; and Little Hoop Community College (LHCC)--serving the Devils Lake Sioux. In 1981, Standing Rock College joined the consortium. A sixth school, Sisseton-Wahpeton Community College had planned to join the consortium in the fall of 1984.

Prior to Project DISCOVER, there were no vocational education programs available on any of the five North Dakota Indian reservations. A limited number of vocations were available at the United Tribes Educational Technical Center in Bismarck, North Dakota. When work projects were located on or near the reservation, the local Indian labor force could not qualify for employment because they were unskilled.

Since its inception, Project DISCOVER has provided, and is currently providing, vocational training in areas important to the economic development of the reservations. More importantly, the programs offered by DISCOVER are those with an established labor market for graduates.

Project DISCOVER currently provides 21 vocational programs at the five sites. In the five years of DISCOVER, 1603 students have participated in DISCOVER programs as full or part-time students. Of these, 387 students graduated from complete vocational programs with 276 obtaining job placements in the field of their training. In addition, 69 students obtained jobs without completing their training. As a direct result of part-time classes, 15 students received promotions in existing jobs.

The programs available through Project DISCOVER include building trades, welding, nursing, child care, farm and ranch, secreturial, printing, criminal justice, human services, small business management and mid-management. Throughout the four years, Project DISCOVER has worked closely with the North Dakota State Board for Vocational Education to ensure that all the programs meet state standards. Project DISCOVER has also developed new or modified existing curriculum to meet the needs of Indian people.

The availability of vocational education at the five schools has meant that people who were previously unable to obtain training due to socio-economic circumstances are now able to develop marketable skills. These new skills have enabled Indian people to obtain jobs, thereby contributing to the self-sufficiency

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and economic well-being of their families and the reservations where they reside.

In summary, the One Percent Set-aside program in North Dakota has clearly had a positive impact on the Indian population. The member schools have clearly demonstrated that the Indian educational institutions can successfully provide appropriate vocational education. More importantly, the schools have by this consortium demonstrated that independent schools can effectively work in a cooperative arrangement to meet the needs of their people.

STATEMENT OF PROBLEM

Traditionally, vocational education opportunities for Indian people have been extremely limited. Indian people often had to travel great distances from their home communities to receive training. This coupled with the cost factor meant that only an insignificant number of Indians could afford to receive training. In addition to the cost factor, many Indians experienced personal crisises in being away from their families and attempting to deal with a non-Indian society that was foreign and at times frightening to them.

The difficulties in offering vocational education programs locally have been compounded by lack of funding. Traditionally, the federal and state vocational education money was not available to Indian communities. Receipt of state money has, in part, been dependent upon the inclusion of projected programs in the state plan. To date, very few states have included Indian reservations in the state plans. In effect, this has prohibited reservations from receiving state money.

Congress addressed the needs of the Indian communities with the passage of P.L. 94-482, the Education Amendments of 1976. Title 1, Part A, Section 103 (a)(B)(iii) of this act specifically provided an Indian Set-aside for vocational education. The One Percent Set-aside program represents the first attempt to bring vocational education to Indians rather than bringing Indians to vocational education.

As originally mandated, the Department of Education dollars were to be matched by the Bureau of Indian Affairs. For the past five years, the BIA has successfully obtained Congressional waivers to avoid the matching requirement. In effect, this has reduced by one half the dollars available to Indian Tribes and organizations and severely limited the number of tribes that can be funded each year.

For the Project DISCOVER consortium, this limitation of funds will have very drastic and immediate consequences. Beginning in September, 1984, this

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consortium will not be funded by the Set-as[illegible]

It is very obvious when examining the u[illegible]ent rates of the five reservations, that no tribal resources exist to fund these programs in absence of federal aid. Unemployment ranges from approximately 50% at Standing Rock to over 80% at Sisseton-Wahpeton. Clearly, the unemployment rate on reservation is substantially above the state and national averages. The need for Project DISCOVER is very critical when viewed against the unemployment of the reservations. Without an opportunity to develop the skills needed to obtain employment, the future for the North Dakota reservations will remain dim. If tribal members cannot obtain employment, then it will remain necessary for the government ot continue to subsidize the reservations economies.

Conversely, if training programs like DISCOVER are provided, there is an opportunity for Indians to gain employment. Those who become employed need not be provided public assistance. They will also be able to contribute directly to the reservation economies. Even more importantly, these Indian people will realize the value of education for themselves and their children.

Beginning with the fall of 1984, the six schools applying through the DISCOVER consortium face the following impact due to non-funding:

1. United Tribes Educational Technical Center - A reduction from twelve to eight vocations as four of the current programs are funded by DISCOVER and a loss of seven staff positions.
2. Fort Berthold Community College - A loss of four training programs which represents the entrire vocational education program and a loss of seven staff positions including four instructors.
3. Turtle Mountain Community College - A loss of the five programs which comprise the vocational education department and a loss of seven staff positions including five instructors.
4. Little Hoop Community College - A loss of four training programs which represents the entire vocational education program; a loss of 60% of Little Hoop's total funding; and a loss of six full time and 2 part time staff positions.
5. Standing Rock Community College - A loss of four training programs which reduces the vocational programs at Standing Rock to two programs and a loss of seven staff positions including 4 instructors.
6. Sisseton-Wahpeton Community College - Due to a lack of funding, this school will not be able to initiate its three proposed vocational education programs.

In all, the six schools will lose 24 vocational programs. A reduction of this size will virtually eliminate the vocational education efforts on the reservation.

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Additionally, this will mean that a minimum of 400 Indian people will be denied an opportunity to receive vocational education each year.

The absence of funding will virtually eliminate the establishment of any linkages between vocational education and tribal economic plans. This may mean that the subsequent shortage of trained individuals will seriously impede the success of tribal economic plans.

While United Tribes is fully accredited by North Central Association of Colleges and Schools, the other five schools are currently seeking accreditation from North Central. A reduction of this size will not only severely reduce the vocational opportunities available, but also will have a definite impact on the accreditation efforts of the colleges.

We believe that Project DISCOVER has demonstrated great success in providing vocational education appropriate to the individual tribal needs. We are also convinced that the lack of funding will create a climate on the reservations in which the future of meaningful vocational is in doubt. The vocational education provided through Project DISCOVER has and can continue to make a significant impact on our reservation economies, unemployment levels and on Indian people. Conversely, if the vocational education programs are allowed to die, the impact on the reservations will be obvious and immediate.

RECOMMENDATIONS

1. In light of the successes of Indian Set-aside programs like Project DISCOVER, over the last five years, we recommend to the Federal government that a Set-aside for Indian Tribes be included in the reauthorization of the Vocational Education Act at a level of not less than 2%, particularly if the Bureau of Indian Affairs (BIA) continues to avoid providing the matching funds for the Set-aside.
2. Unless the Department of Interior's Bureau of Indian Affairs can demonstrate commitment and accountability in administering the Set-aside program and can clearly illustrate a definite vocational education policy, we recommend that the Department of Education continue to be the administrative agency for the Set-aside program and funds.
3. We strongly recommend that the integrity and identity of the Indian Set-aside be maintained upon reauthorization, and that such funds be made directly available from the Federal government to Tribes and tribally approved organizations

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in accord with the existing rules of P.L. 93-638, the Indian Self-Determination and Education Assistance Act.

RECOMMENDATION FOR SUPPLEMENTAL APPROPRIATION

In addition to the preceding recommendations, United Tribes Educational Technical Center would like serious consideration given to one final recommendation. This is the issue of a supplemental appropriation for the 1984-85 grant period.

Beginning September 1, 1984, the Department of Education will fund thirty (30) Indian vocational projects. A total of 80 potential grantees applied for the funds available. The applications being funded represent the entire 6.2 million dollars available for the One Percent Set-aside. In addition, less than 60 of the 246 federally recognized tribes have received grants under the Set-aside to date.

The fact that the available resources can fund only thirty of eighty applications in the upcoming year clearly demonstrates the size of the unmet need existing in Indian vocational education. Not only will highly successful programs like Project DISCOVER cease to exist, but equally important is the fact that many tribes continue to be denied the opportunity to develop vocational education that is appropriate to their tribal needs.

As originally legislated by Congress, in the upcoming year alone, there should be an additional $6.2 million available for programs. This would mean that an additional 20 to 30 projects could be funded.

Therefore, we request consideration for the following recommendation:

4. In light of the established unmet need for Indian vocational education dollars, we request that the Federal government seriously consider a supplemental appropriation for the 1984-85 grant year and that this supplemental appropriation should be equal to the $6.2 million to be expended by the Department of Education.

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Mr. **Alexander**. Thank you, gentlemen.

Just so that I am clear about your statement with respect to the Bureau of Indian Affairs' matching 1 percent, if it came down to two legislative options—one, to mandate that the Bureau of Indian Affairs produce their 1 percent; the other, require the 2 percent to come out of the Education Department's budget—do you have a preference?

Mr. **Gipp**. I suppose either would be acceptable.

I think there is one thing I do want to clarify, though, and that is that the mandate is there already in the existing law.

Mr. **Alexander**. Right.

Mr. **Gipp**. What the Department of the Interior has been doing is getting the waiver. The problem is that the language does not, as we understand it, appear in the appropriations language of the Interior bill, and so something needs to be expressed there, because the other language appears, as we understand, in the Education Department's appropriations bill.

So what we have here is something over in the Education appropriations bill and nothing, really, to cover the Interior people over here. So I think that is one reason why they have it so easy in terms of getting off the hook on this matter. So that is where the appropriations bill under Interior needs to be looked at.

Mr. **Alexander**. Is there a policy reason for requiring the Bureau of Indian Affairs to continue to be involved in the vocational education business, rather than sort of allowing the Department of Education to deal in this area?

Mr. **Gipp**. Well, when those of us who worked on this and testified and provided information and data back in 1975 and 1976 for the set-aside, one of the concepts was that there would be a joint effort between the two departments in this area—particularly since the Bureau of Indian Affairs plays such a strong role in Indian education as well as tribal economic development. That was one rationale that we had in those days, and we thought it would be a very fitting glove, but apparently it has not.

Mr. **Alexander**. Well, as I am sure you know, in President Reagan's Indian policy statement of January of last year, economic development and economic self-sufficiency are key goals for the President in his nation-to-nation policy.

In your view, where should vocational education fit within this policy?

Mr. **Gipp**. Well, particularly as it relates to American Indians and more specifically some of the things we have heard from certainly the President's statement and Assistant Secretary Smith's statement; that is, both in terms of the tribal economies, tribal economic development, business development, and so forth; we think that vocational education is a very critical part of that effort and that it is not at this point being fully accounted for nor recognized by the Bureau of Indian Affairs, simply by the examples we give today.

If you are going to have business development, small or tribal, individual or otherwise, on reservations, you have got to have the trained human resources. While we need the college-degreed people, we also need the people who are going to be the technicians, who are going to be the persons who operate the grocery stores or whatever it may be, the small business itself, and that is something that the vocational education area can provide for our tribal leadership, our tribal populations.

I would think that the Bureau of Indian Affairs ought to take a very serious look at this area. It certainly involves the human resources potential.

Mr. Alexander. Thank you very much for your testimony today. As you know, our committee is fully cognizant of the excellent work that your organization does, and where we can, we have been able to support it. Thank you.

Mr. Gipp. Thank you very much.

Mr. Alexander. You are welcome.

Although the next group of witnesses is not listed as a panel, I am going to bring them up at the same time. Elizabeth Demaray from the INMED Program—is she here? Yes. JoAnn Kaufman, accompanied by Pam Iron and Sue Crystal; and Consuelo Guillory, is she here? I understand she has stepped out. We will wait.

Let us start with Ms. Demaray. Before you begin, I would like to say that Senator Andrews is a very strong proponent of the INMED Program. We have been impressed with the results it produces. At a field hearing in North Dakota last year, we had testimony from a number of students, and they just make the best case ever themselves for the really fabulous program that you run. We are going to do everything we can to make sure that program keeps going.

Ms. Demaray. Thank you.

STATEMENT OF ELIZABETH YELLOW BIRD DEMARAY, ASSISTANT DIRECTOR, INDIANS INTO MEDICINE PROGRAM [INMED]

Ms. Demaray. Thank you for this opportunity to appear here. As you know, my name is Elizabeth Yellow Bird Demaray. I am the assistant director of the INMED Program, Indians into Medicine, at the University of North Dakota at Grand Forks.

As you know, INMED has again been zeroed out in the IHS budget. I am here to request that INMED be continued as a line item within the IHS budget for fiscal year 1985. Our request is to include regular program and summer program support at $250,000 and moneys for 63 scholarships.

INMED has been in existence for 10 years, and I would like to just briefly mention some of our major accomplishments right now.

INMED has assisted a total of 41 Indian health professionals educationally, including 33 physicians, one dentist, one master's of public health, two bachelor-degreed registered nurses, one physical therapist, one medical technician, and two health educators.

INMED is currently offering complete financial, academic, and personal support services to 30 preprofessional students and 22 professional students.

A major part of INMED is our all-Indian advisory board, which is comprised of a tribal appointee from each of the 23 tribes INMED serves. This board has provided directions, policies, and priorities to the INMED Program continuously since 1974.

Another exciting part of the INMED Program is our summer institute for high school students and college students, and this has been in operation since 1973, also.

Another thing that INMED has been doing is our publications. We have published a coloring book, paper doll book, two volumes of physicians' biographies, a health career game, a recruitment comic book, and we also have many audiovisual materials that we have produced.

We have also produced 13 workshops with an emphasis on health issues, including alcoholism, tuberculosis, traditional medicine, health career education, diabetes, health manpower training, and hypertension.

I have many more accomplishments, but what I will do is stop here now, and thank you very much for your support.

[The prepared statement follows. Testimony resumes on p. 450.]

INDIANS INTO MEDICINE

INMED

UND SCHOOL OF MEDICINE
501 N. COLUMBIA ROAD
GRAND FORKS, ND 58201
(701) 777-3037

TO: Honorable Mark Andrews
United States Senate
Chairman, Senate Select Committee
on Indian Affairs

FROM: Indians Into Medicine
School of Medicine
University of North Dakota, Grand Forks

HEARING DATE: February 23, 1984

WITNESS: Elizabeth Yellow Bird Demaray, Assistant Director
Indians Into Medicine Program (INMED)
University of North Dakota School of Medicine
501 North Columbia Road
Grand Forks, North Dakota 58201

We are here in behalf of INMED and its tribally appointed Advisory Board representing 100,000 Indians from the 5-state area of North Dakota, South Dakota, Wyoming, Nebraska, and Montana but serving Indian peoples nationally to request continuation of INMED and the Health Manpower Scholarship Program as a line item within the Indian Health Service budget for Fiscal year 1985. Our request is to include regular program and summer program support at $250,000 and monies for 63 scholarships. INMED is requesting to remain an economical and viable means by which the special government-to-government relationship and the trust responsibilities of the Federal Government to provide adequate health care to the Indian nations can be fulfilled.

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STATEMENT

Thank you for the opportunity to appear before you. My name is Elizabeth Yellow Bird Demaray. I am the Assistant Director of the Indians Into Medicine Program at the University of North Dakota School of Medicine in Grand Forks. I am here in behalf of INMED and its tribally appointed Advisory Board to request your consideration for the Program's continuation as a line-item within the Indian Health Service budget for Fiscal Year 1985. Our request is for $250,000 to be administered through Title I, Section 102 of the Indian Health Care Improvement Act. The $250,000 level of funding for administration and student support is necessary to maintain the program's recruitment and retention services and summer enrichment programs for Indian high school and college students.

INMED has recently become aware that 63 scholarships have been deleted from the IHS budget. This is quite a coincidence since INMED as of this last semester has 52 regular scholarships and 10 Summer College scholarships. INMED is concerned that this may be the INMED student scholarships.

The need for more Indian health professionals is still clearly evident. At the Senate Select Committee on Indian Affairs hearing in Grand Forks, North Dakota, on June 2, 1983, IHS Aberdeen Area Director, Eleanore Robertson stated that the Aberdeen Area only has half the staff necessary to meet the Indian health care needs. The Billings Area IHS is also chronically understaffed. INMED seeks to provide health professionals who, because of their cultural backgrounds, will continue to serve Indian people beyond the service payback period stipulated in their Section 104 scholarship contracts.

In addition to 34 physicians INMED has graduated a dentist, a master of public health, a medical technologist, a physical therapist, and two

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registered nurses. In addition to its graduates INMED is presently offering direct support to 22 medical students, 24 undergraduate or special graduate students and indirect support (all but financial) to another 24 students. It is difficult to imagine how the effectiveness of the INMED Program in providing Indian health professionals to the Indian people can be denied.

In addition to providing Indian health professionals, the INMED program has also been instrumental in the implementation of University of North Dakota School of Medicine programs at Indian reservations.

The special relationship between the Federal Government and the Indian tribes, and the "trust" responsibilities that the courts and Congress have pledged, provides for health services for Indian people that are equal with the non-Indian population. However, to those who engage in the study of social stratification in this society, it is apparent that there is a large and growing underclass of all American citizens without adequate health care or the resources to attend medical school. Nowhere within that class are these care needs greater than among the Indian people! Yet, INMED, a program that is demonstrably effective in addressing those needs, has never in its ten year history been in a position where it did not have to struggle for its fiscal survival. The current administration and its policy administrators continuously voice their support for INMED yet also continue to omit INMED and Indian health education programs from their budget requests. It is times like these when so much money is available for the means toward human destruction that tend to magnify the importance of money for human health and well being. Especially when that money means allowing the Indian people to gain control of their own health care problems and work toegether toward their solution.

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INMED has been able to continue thus far as a successful, self-contained Indian medical education program only with the strong and vociferous support of the Indian people and our elected representatives in Congress. The direct effects of the INMED Program may tend to have little visibility in higher bureaucratic echelons, however it seems that the closer one gets to the problem of lack of adequate health care the more energetic the support for the INMED Program becomes.

It is with the continuing committment of the Indian people, the University of North Dakota, and our friends in Congress, that INMED will continue its efforts in improving the quality of health care for the Indian people.

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INMED FACT SHEET

INMED has assisted a total of 41 Indian health professionals educationally, including 33 physicians, one dentist, one M.P.H., two Bachelor degree registered nurses, one physical therapist, one medical technician*, and two health educators.

INMED is currently offering complete financial, academic, and personal support services to 30 pre-professional students and 22 professional students.

INMED has enrolled 193 in pre-professional academic curricula since 1973.

INMED has organized and implemented a Summer Institute for high school and college students each year since 1973. Over 200 complete applications have been received annually for the 20 to 50 available positions. To date the total enrollment in Summer Institute is 443.

INMED is governed by an all-Indian Advisory Board which is comprised of tribal appointee from each of the 23 tribes in INMED's service area (North Dakota, South Dakota, Nebraska, Montana, and Wyoming), plus several charter members. This Board has provided directions, policies, and priorities to the INMED Program continuously since 1974. This Advisory Board is INMED's linkage to the wishes, needs, and resources of the 100,000 Indian people in the INMED service area.

INMED maintains an annual retention rate of 80% for the pre-professional students and 95% for professional students. The national drop-out rate for Indian medical students is estimated to be 12% or 88% retention rate, while the Indian college student retention rate is about 50%. INMED staff has provided over 900 hours of tutoring and 3500 hours of academic, financial, and personal counseling yearly as part of INMED's extensive student support system.

INMED staff uses telephone, written communitcation, and personal visits to make over 13,000 contacts annually with Indian students, parents, tribal officials, counselors, and others. These contacts, both on and off the 22 reservations in the program service area, are aimed at increasing the interest, awareness, and motivation of Indians toward the health professions; and retaining participating students.

Since 1973, INMED has produced numerous Indian health career oriented publications, including a colorbook, paper doll book, 2 volumes of physicians biographies, health career game, and a recruitment comic book. The program has also produced audio-visual materials, including Program presentations, teaching video tapes on genetic counseling and photo dermatitis, a health career education puppet show, and a video tape entitled the "Red Medicine Road", that combines some Indian medical philosophy with motivational techniques.

INMED has produced thirteen workshops with an emphasis on health issues, i.e., alcoholism, tuberculosis, traditional medicine, health career education, diabetes, health manpower training, hypertension, etc., of the Indian people.

*currently enrolled in Medical School.

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INMED's formal linkages at the University of North Dakota have expanded to include working with the Medical Technology Department, College of Nursing and the Physical Therapy Department. INMED is also involved in developing programs to sensitize the nursing staff and students to the culture and needs unique to Indian people.

INMED staff and students have participated in the planning and implementation of all Indian social and cultural activities on the University of North Dakota campus annually.

The University of Manitoba, Winnipeg School of Medicine, and the Coordinator of Native Health Care Development for Health & Welfare, Canada, have visited the Program and used INMED as a prototype for projects they are developing. A member of the medical facility at the University of New Castle in New South Wales, Australia, was at UND to study INMED to gain information to develop a similar program for Australian Aborigines at his University.

INMED assisted the UND School of Medicine and Indian Health Service in developing educational and clinical programs on INMED service areas/reservations.

INMED has aided reservations in the research on health issues on the local, as well as national levels.

Six issues per year of the INMED newsletter, Serpent, Staff & Drum, are distributed to approximately 500 individuals and organizations interested in Indian health care and education.

In 1983, one graduating INMED physician scored in the 95% on National Medical Boards II. Combined with his 99% on Boards I, this student was in the 97% nationally for graduating physicians. This student also received (in 1983) the H.J. Kaiser Award for outstanding academic achievement nationally by a minority medical student.

INMED placed three special graduates with the National Institutes of Health Summer employment program for summer 1983. One special graduate was appointed to the National Institute of Health Carcinogenic Research Laboratory for one year.

June 1, 1983
Larry Hartman
Counselor/Research Analyst

(Revised 9/15/83)
Nancy Lundgren

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INMED PROGRAM

ACADEMIC PROGRAM PARTICIPANTS*
1973 - 1983

One hundred and ninety-three (193) college undergraduate students have enrolled at the University of North Dakota as participants of INMED. Following is a breakdown of student accomplishments and the "spin-off" effect INMED has had on students who left the Program for personal, academic, or financial reasons.

CATEGORY OF PARTICIPANTS		PARTICIPANT NUMBERS		
Students Who Were Continued As Participants of INMED		Direct	Indirect	Total
1. Students presently pursuing undergraduate degrees/pre-medical school requirements.		27	24	51
2. Students presently pursuing a health professional degree (NODTCPP).		22	3	25
3. Students who have completed a health professions degree:		38	-	38
Doctors of Medicine (M.D.)	33			
Masters in Public Health (Ph.D.)	1			
Doctor of Dental Surgery (D.D.S.)	1			
Physical Therapist (B.S.)	1			
Registered Nurse (R.N.)	2			
	Totals	87	27	114

Students Who Were Discontinued/Withdrew As Participants of INMED	
4. Students presently pursuing an undergraduate pre-health or math/science degree:	21
5. Students who have completed a health or math/science degree:	4
6. Students who are presently working in the health/health related field but did not complete the degree they were pursuing with INMED:	17
7. Students who are presently pursuing a non-health degree:	8
8. Students who have completed a non-health degree:	3
9. Students who are presently working in a non-health/health-related field but did not complete a degree:	15
10. Students presently seeking employment and have not completed a degree:	2
11. Students unable to be tracked at the present time:	9
Total	193

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	NUMBER	PERCENTAGE
The number and percentage of participants who have been tracked that are associated with a health or math/science related area; either as students or as working personnel. (1+2+3+4+5+6 = T).	156	81%
The number and percentage of participants who have been tracked that are associated with a non-health career; either as students or as working personnel. (7+8+9+10 = T).	28	15%
The number and percentage of participants who are not associated with a health, or other career; either as students or as working personnel. (11)	9	4%

SUMMARY:

81% of the participants that were dismissed or withdrew from the Program are still associated with a health field, either as students or as working personnel. This indicates that the INMED Program has a positive effect in the area of increasing interest in the health fields.

*Participant numbers reflect enrollment of the regular academic programs only, and discludes Summer institute and practicum participants.

Terry Hartman/Counselor-Researcher
December [illegible], 1982

Updated, September 15, 1983
Henry [illegible]

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INMED PROGRAM

PROFESSIONAL GRADUATES BY YEARS AND DEGREES

1976	MD - 1
1977	MD - 4 BSN - 1
1978	MD - 6
1979	MD - 5
1980	MD - 6 DDS - 1 MPH - 1
1981	MD - 3
1982	MD - 4 BSN - 1 B.S. - 1 (Med. Tech.)
1983	MD - 4 PT - 1
1984*	MD - 7 MPH - 1
1985*	MD - 7 BSN - 3 Ph.D. - 1
1986*	MD - 5 B.S. - 1 (Med. Tech.)

*Projected from current professional school enrollment and student's choice of decelerated programs.

MD - Medical Doctor
BSN - Registered Nurse
DDS - Dentist
MPH - Master's Public Health

Kerry Hartman/Counselor
June 1, 1983
Updated: October 15, 1983
Nancy Lindgren

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INMED PROFESSIONAL GRADUATES

1973 - 1983

DEGREE	NUMBER OF GRADUATES	SEX	AGE AT ENTRANCE INTO PROF. SCH. AGE	NO.	MARITAL STATUS	NUMBER OF DEPENDENTS	TRIBES AND STATES REPRESENTED	BACKGROUND*	NUMBER OF YEARS TO COMPLETE PROF. SCH.
MD	33	M - 28 F - 5	37 36 31 30 29 28 27 26 25 24 23 22 21 AV	2 1 1 4 4 4 1 1 4 2 2 5 2 26.9	S - 9 M - 22 D - 2	1 - 10 2 - 5 3 - [illegible] 4 - [illegible] 5 - 5 AV 2.35	Yankton Sioux(SD)-1 Oglala Sioux(SD)-1 Crow (MT)-1 Osage (OK) -1 S.Cheyenne(OK)-1 Cherokee(OK)-5 Cherokee(NC)-1 Commanche(OK)-1 Choctaw(OK) -3 Chickasaw(OK)-3 Mohawk/Oneida(NY) -2 Munsee/Stockbridge (WI)-1 Seminole/Cherokee (TX) -1 Tsimpshian/Tlingit (AK)-1 Choctaw/Cherokee (IL) - 1 Navajo (AZ) - 1 Commanche(AZ)-1 Saginaw/Chippewa (MI) - 1 Seneca (PA) -1 Delaware/[illegible] (OK) -1 San Felipe/Pueblo-1 Sisseton (SD) -1 Eskimo (AK) -1 Gros Ventre (MT)-1	R - 23 C - 8 SUA - 2	6 - 1 5 - 7 4 - 25 AV 4.27
DDS	1	M	30		M	2	Cheyenne River (SD)	R	4
RPH	1	F	39		M	5	Turtle Mtn. (ND)	R	2
Nurse	2	F-2	22 -1 23 -1		S-1 M-1	1 - 1 4 - 1	Cheyenne River (SD)-1 Ft. Berthold (ND) -1	R-2	3 - 1 4 - 1
PT	1	M	20		M	3	Lower Brule (SD)	R	5
MedTech	1	M	20		S	1	Turtle Mtn. (ND)	R	4

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INSTITUTIONS WHERE PROFESSIONAL DEGREES WERE EARNED BY INMED PROFESSIONALS 1973 - 1983

Medical Schools	Number of Graduates
University of Alabama	4
University of Arizona	1
University of California (Davis)	1
University of Colorado	5
University of North Dakota	3
University of Oklahoma	4
Harvard University	1
John Hopkins School of Medicine	1
University of Kansas	1
Medical College of Wisconsin (Milwaukee)	1
Mount Sinai	1
University of New York (Buffalo)	1
University of Texas - Southwestern (Dallas)	1
Tufts University	1
University of Utah	1
University of Washington	1
Washington University (St. Louis)	2
Oral Roberts University	1
George Washington University	1
Ohio State University	1
Subtotal	33
Dental School	
Creighton University	1
Subtotal	1
Masters in Public Health	
University of California (Berkeley)	1
Subtotal	1
Nursing (B.S.N.)	
University of North Dakota College of Nursing	2
Subtotal	2
Physical Therapy (B.S.)	
University of North Dakota	1
Subtotal	1
Medical Technician (B.S.)	
University of North Dakota	1
Subtotal	1
TOTAL:	39

Updated, September 15, 1983
Nancy Lindgren

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INMED PROGRAM 1981-82

STUDENT STATUS (Sex, Age, and Background)

UNDERGRADUATE AND SPECIAL GRADUATES

AGE

41 - 1
35 - 1
34 - 1
32 - 1
31 - 1
30 - 2
27 - 2
26 - 1
25 - 1
24 - 2
23 - 2
22 - 5
21 - 2
20 - 5
19 - 5
18 - 4
17 - 1
TOTAL 35

Average age = 22.7

SEX

	M	F
Freshmen	2	3
Sophomore	9	2
Junior	2	2
Senior	6	5
Spec. Grad.	3	1
Total	22	13

Males = 63%

Females = 37%

BACKGROUND*

Rural	29
City	5
SMA	1
Total	35

Rural = 83%

City = 14%

SMA = 3%

MEDICAL STUDENTS

AGE

40 - 1
34 - 1
33 - 3
31 - 1
30 - 2
28 - 4
26 - 4
25 - 1
24 - 2
23 - 2
Total 21

Average age = 28.5

SEX

	M	F
1st Year	8	0
2nd Year	2	2
3rd Year	5	0
4th Year	3	1
Total	18	3

Males = 86%

Females = 14%

BACKGROUND*

Rural	18
City	2
SMA	1
Total	21

Rural = 86%

City = 9%

SMA = 5%

*Background

Rural - 2500 and less
City - 2500 - 50,000
SMA - Standard Metrolpolitan Area, 50,000+

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INMED PROGRAM 1982-83

STUDENT STATUS

(Sex, Age, and Family Background)

UNDERGRADUATE & SPECIAL GRADUATES

AGE

42 - 1
36 - 1
35 - 2
34 - 1
31 - 2
28 - 2
27 - 2
26 - 1
24 - 5
23 - 3
22 - 2
21 - 5
20 - 4
19 - 3
18 - 3
17 - 1
Total = 38

Average Age = 24.4

SEX

	M	F
Freshmen	4	3
Sophomore	2	3
Junior	6	1
Senior	6	4
Spec. Grad.	6	3
Total	24	14

Males = 63%

Females = 37%

BACKGROUND*

Rural	28
City	7
SMA	3
Total	38

Rural = 74%

City = 18%

SMA = 8%

MEDICAL STUDENTS

AGE

41 - 1
39 - 1
35 - 1
3[illegible] - 2
3[illegible] - 2
31 - 1
2[illegible] - 4
28 - 1
27 - 4
25 - 2
24 - 2
22 - 1
TOTAL 23

Average Age = 29.5

SEX

	M	F
1st Year	5	0
2nd Year	7	1
3rd Year	3	1
4th Year	6	0
TOTAL	21	2

Males = 91%

Females = 9%

BACKGROUND*

Rural	18
City	3
SMA	5

Rural = 78%

City = 13%

SMA = 9%

*Background

Rural - 2500 and less
City - 2500 - 50,000
SMA - Standard Metrolpolitan Area, 50,000+

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INMED PROGRAM 1983-84

STUDENT STATUS (Sex, Age, and Background)

UNDERGRADUATES & SPECIAL GRADUATES

AGE

33 - 1
37 - 1
36 - 1
34 - 1
32 - 1
29 - 1
28 - 1
27 - 1
26 - 1
25 - 1
24 - 3
23 - 1
22 - 2
21 - 2
20 - 4
19 - 3
18 - 4
17 - 1
Total 30

Average Age 23.96

SEX

	M	F
Freshmen	4	5
Sophomore	2	3
Junior	3	3
Senior	5	3
Spec. Grad.	1	1
Total	15	15

Males = 50%

Females = 50%

BACKGROUND*

Rural	22
City	6
SMA	2
Total	30

Rural = 73%

City = 20%

SMA = 7%

MEDICAL STUDENTS

AGE

40 - 1
36 - 1
35 - 2
33 - 2
[illegible] - [illegible]
3[illegible] - 4
29 - 3
28 - 4
26 - 2
25 - 4
23 - 2
Total 27**

Average age 29.3

SEX

	M	F
1st Year	6	2
2nd Year	5	1
3rd Year	6	1
4th Year	5	1
Total	22	5

Males = 81%

Females 19%

BACKGROUND*

Rural	22
City	3
SMA	2
Total	27

Rural 82%

City 11%

SMA 7%

*Background

Rural - 2500 and less

City - 2500 - 50,000

SMA - Standard Metrolpolitan Area, 50,000+

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INMED SUMMER INSTITUTE FOLLOW-UP

1980 - 1983

DESIGN:

All students who attended the INMED Summer Institute College and Senior Program for the summers of 1980, 1981, 1982, and 1983 were contacted by mail or phone to determine their status in higher education. Results were compiled in the categories of matriculated into higher education; still enrolled; and whether enrolled in a health career. The college and high school student results were compiled separately. The statistics from summer 1983 represent students who are accepted and matriculated to begin college in fall 1983.

RESULTS:

SUMMER INSTITUTE BRIDGE - HIGH SCHOOL

YEAR	NUMBER OF HIGH SCHOOL GRADUATES	NUMBER ENTERED INTO HIGHER EDUCATION		NUMBER STILL ENROLLED IN HIGHER EDUCATION		NUMBER IN HEALTH CAREER
		UNM	OTHER	UNM	OTHER	
1980	21	6	10	4	9	11
1981	[illegible]	6	13	5	12	16
1982	[illegible]	7	16	7	16	23
1983	8	5	3	5	3	8
Subtotal:	77	24	42	21	40	58

SUMMER INSTITUTE COLLEGE

YEAR	[illegible]	NUMBER CONTINUED IN HIGHER EDUCATION		NUMBER STILL ENROLLED HIGHER EDUCATION		NUMBER IN HEALTH CAREER
		UNM	OTHER	UNM	OTHER	
1980	5	3	2	3	2	5
1981	11	9	2	6	2	8
1982	9	6	1	8	1	8
1983	10	10	---	10	---	10
Subtotal:	35	30	5	27	5	31
FINAL TOTALS:						
BRIDGE	77	24	42	21	40	58
COLLEGE	35	30	5	27	5	32
TOTAL	112	54	47	48	45	90

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ANALYSIS:

Bridge

86% of students have progressed into an institution of higher education.

92% enrolled in higher education are still enrolled.

95% of those enrolled in higher education are majoring in a health career.

College

100% continued into higher education.

86% remain at the University of North Dakota (INMED)

91% are still enrolled in college.

97% of those remaining in college are enrolled in a health career.

[illegible]

[illegible] have continued into higher education.

97% of those [illegible] in higher education are successfully continuing.

97% of those still in college are majoring in a health career.

Discussion:

The previous analysis of the results of this study reveal a significant [illegible] of [illegible]. INMED Program works with Native American students, a [illegible] unique population with a history of problems and [illegible] in higher education. Recent studies by [illegible] (197?) estimate a dropout and failure rate of 85% for Native Americans in higher education. INMED has not only assisted 90% of the INMED students into college, but even more important, 9?% have been [illegible]. These statistics are influenced by many [illegible] not limited to:

1) [illegible] identification, selection, and recruitment of [illegible], [illegible], and high quality Indian applicants.
2) INMED's extensive efforts at increasing awareness of Indian health careers and Indian health needs among the applicants and selected students.
3) INMED's comprehensive educational classes, which better prepare students for entrance into college classes.
4) INMED's Academically Controlled Environment (ACE) introduces the students to the study skills and habits necessary for a successful college career. INMED teaches students the methods for academic success and teaches them how to continue these practices.

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5) INMED's student support system, which teaches the students to seek assistance support from reliable local professionals when they encounter academic, personal, financial, or other difficulties.

This list of factors is, of course, not a sufficient total explanation for INMED's outstanding success rate, but it does include several important factors. INMED uses a comprehensive approach to student support and as such, individual aspects are difficult to quantify and evaluate. The most valid comment is that the system in it's totality seems to be extremely effective.

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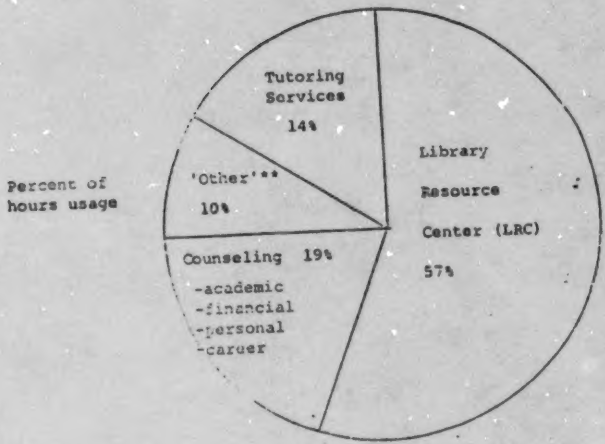
INMED STUDENT SUPPORT SERVICES*



*Yearly averages estimated by total hours usage.

**Other includes spouse support workshops, academic workshops, health professions seminars, cultural activities, etc.

SUMMARY:

Students are offered all of the financial, social, cultural, and other human support services available in order to assist them to successfully achieve academically. Activities also included: spouse support workshops; the Health Professions Seminar; medical seminars; on-site visitations to off-campus students; peer and role model support activities; offerings through the Academically Controlled Environment (ACE), including a Library Resource Center (LRC) and study areas, tutors, counseling and testing; on-going personal and career advisement; and continuous communications linkages with off-campus INMED students. The staff members of the College Component also have primary responsibility for completing this objective, however, they are assisted by all INMED staff (and others) as needed. As a result, INMED maintains an annual student retention rate of at least 80%.

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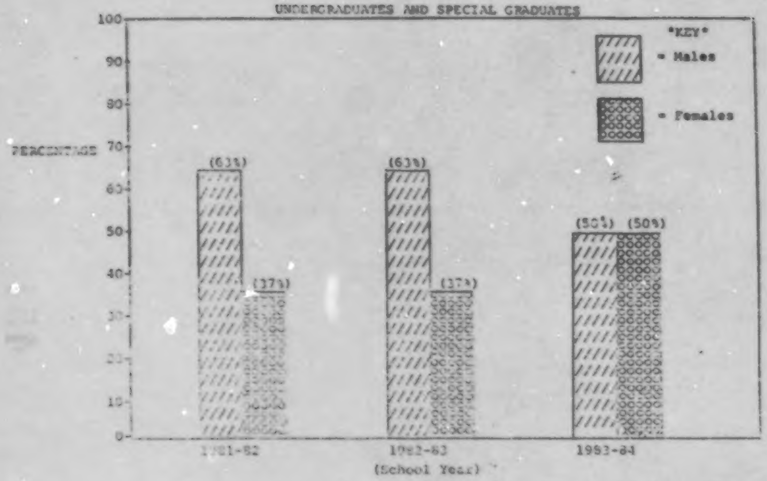
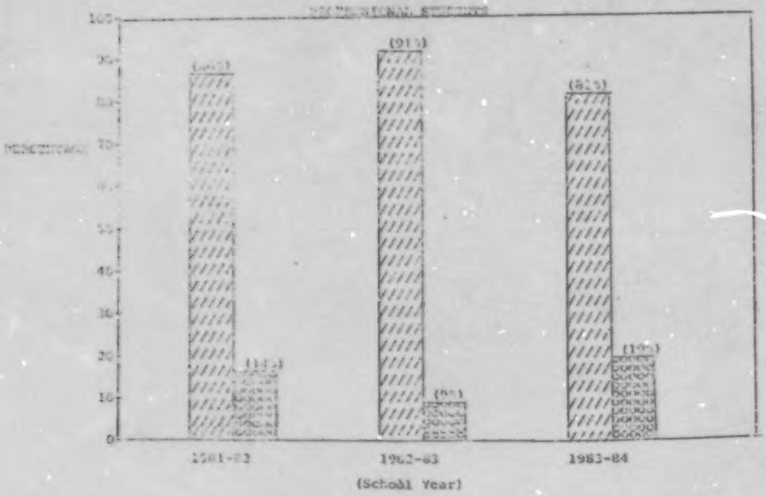
INMED PROGRAM

RATIO: Male to Female Students





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MEDICAL PREPARATORY (MED-PREP) PROGRAM

SUMMER 1983

NAMES* (Reservations Enrolled)	SEX	RURAL/URBAN	MARITAL STATUS	NUMBER DEPENDENTS**	EDUCATIONAL LEVEL FALL 1983
1. Blackfeet Tribe, Montana	M	R	M	3	MED. SCHOOL 01, UND Sch. Med.
2. Blackfeet Tribe, Montana	F	R	S	1	Special Grad., UND
3. Three Affiliated Tribes, North Dakota	F	R	M	3	MED. SCHOOL 01, UND Sch. Med.
4. Yakima Tribe, Washington	F	R	S	1	MED. SCHOOL 01, Univ. of Wash.
5. Menominee Tribe, Wisconsin	F	R	S	1	MED. SCHOOL 01, UND Sch. Med.
6. Rosebud Sioux, South Dakota	M	U	M	5	MED. SCHOOL 01, UND Sch. Med.
7. Pine Ridge Sioux, South Dakota	F	R	M	4	Senior
8. Iowa Tribe	F	U	M	3	Med. School applicant

*Legally we cannot supply the names without their expressed permission.
**Includes the student.

MEDICAL PREPARATORY (MED-PREP) PROGRAM

SUMMER 1982

NAMES* (Reservations Enrolled)	SEX	RURAL/ URBAN	MARITAL STATUS	NUMBER OF DEPENDENTS**	EDUCATIONAL LEVEL FALL 1982	FALL 1983
1. Turtle Mountain Chippewa, North Dakota	M	R	M	4	MED SCH 01	MED SCH 02
2. Cheyenne River Sioux, South Dakota	M	R	S	1	Senior	Special Graduate
3. Three Affiliated Tribes, North Dakota	M	R	M	3	MED SCH 01	MED SCH 02
4. Tahlequah Cherokee, Oklahoma	M	R	M	5	Special Graduate	MED SCH 01
5. Turtle Mountain Chippewa, North Dakota	M	R	M	5	MED SCH 01	MED SCH 02
6. Menominee, Wisconsin	F	R	S	1	Special Graduate	MED SCH 01
7. Sisseton/Wahpeton Sioux, South Dakota	M	U	S	1	Special Graduate	MED SCH 01
8. Turtle Mountain Chippewa, North Dakota	M	R	S	1	MED SCH 01	MED SCH 02
9. Temoak Band Western Shoshones, Nevada	F	R	SP	2	Special Graduate	Special Graduate
10. Rosebud Sioux, South Dakota	M	U	M	5	Senior	MED SCH 01
11. Duwamish Tribe, Washington	M	R	SP	3	Special Graduate	Special Graduate

*Legally we cannot supply the names without their expressed permission.

**Includes the student.

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INMED STUDENT LOSS, DISMISSALS, & WITHDRAWALS

1972-73 to 1982-83

ACADEMIC YEAR	STUDENT LOSS	REASON	PERCENTAGE OF LOSS	TOTAL NUMBER STUDENTS
1972-73	0		0	
1973-74	3	Dropped for academics		
	3	Withdrawals - personal		
	2	Withdrawals - educational change		
	total 8		26.6%	30
1974-75	8	Dropped for academics		
	4	Withdrawals - personal		
	total 12		27.9%	43
1975-76	3	Dropped for academics		
	1	Withdrawal - transfer		
	4	Withdrawal - career changes		
	1	Withdrawal - personal		
	total 9		19.1%	47
1976-77	3	Dropped for academics		
	1	Withdrawal - career change		
	3	Withdrawal - personal		
	total 7		13.7%	51
1977-78	1	Dropped for academics		
	3	Withdrawal - transfer		
	total 4		8.5%	47
1978-79	2	Dropped for academics		
	3	Withdrawal - personal		
	1	Withdrawal - career change		
	total 6		10.7%	56

ACADEMIC YEAR		STUDENT LOSS	REASON	PERCENTAGE OF LOSS	TOTAL NUMBER STUDENTS
1979-80		10	Dropped for academics		
		1	Withdrawal - personal		
		1	Withdrawal - career change		
		1	Withdrawal - financial		
	total	13		22.4%	58
1980-81		3	LOA (leave of absence) - personal		
		1	Withdrawal - personal		
	total	4		8.0%	50
1981-82		3	Dropped for academics		
		1	Withdrawal - transferred		
	total	4		8.0%	48
1982-83		7	Dropped for academics		
		2	Withdrawal - career change		
		1	Withdrawal - personal		
		1	Withdrawal - financial		
		1	Withdrawal - transferred		
	total	12		17.0%	68

SUMMARY: 79 total number students loss in ten year period (40 dropped for academics and 39 withdrawals for either personal, career, or financial reasons).

84% retention rate average over 10 years.

89% retention rate average over last three years (1980-1983).

Prepared by Kerry [illegible]rtman
Counselor/Researcher
December 20, 1982

Updated by Nancy Lindgren
September 15, 1983

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Mr. **Alexander**. Consuelo Guillory? Do I have your last name correct?

Ms. **Guillory**. Yes, amazingly.

Mr. **Alexander**. For me, it is absolutely amazing.

Ms. **Guillory**. Usually it is Gilroy, or I just do not even bother explaining any more.

Mr. **Alexander**. If you will summarize your statement, we will certainly take your full statement for the record.

Ms. **Guillory**. All right.

STATEMENT OF CONSUELO GUILLORY, SECRETARY-TREASURER, NATIONAL ASSOCIATION OF COMMUNITY HEALTH REPRESENTATIVES

Ms. **Guillory**. I am the representative from the Portland area on the National Association of Community Health Representatives, and I think you are well aware of the CHR program—all the pluses that we have done and are continuing to do.

One thing I would like to expound on at this time is that originally qualifications for employment as a CHR were a driver's license and ability to translate the needs of the communities in regard to health care and Indian health service. But since that time—and we have been in existence 15 years now—we are becoming specialized outreach people. We are attaining education and, through the State of California, CHR's are certified by the State as home health aids.

For the Navajo CHR's, they do attend their Navajo Community College, and they do have to attain certain levels to get a pay increase or a promotion.

Out in the Northwest, where I am from, we are attending—there have been probably about 10 to 15 graduates of the community health advocate program. In that program, you go to school for a year 3 days a month, and 8 hours a week you work in a clinical setting. Upon completion of that, you do get your certificate as a community health advocate, and you take some additional courses, and you can get an associate of applied science degree.

So we are past the point of just being taxicab drivers, and we are in the homes, educating and working to the point where, if our program is eliminated, a small problem could be compounded and things could get worse. The unemployment rate is so high on reservations, which I am sure you are well aware. They would not get to the clinic, and without us, we would probably eventually be taking them to the hospital.

But yet, time and time again we are told we are not cost effective. I went and got some notes here from Senator Melcher, where he had stated something about possibly someone outside of Indian Health Service evaluating the program. We would more than welcome that to finally prove what we have been——

Mr. **Alexander**. You took my question away.

Ms. **Guillory**. And I do have a small statistic here that for an average cost per CHR of $15,000, but that includes salary, fringe benefits, travel, and training, and that is not very much money.

Our Portland area coordinator compiled statistics that the cost of individual services per individual was $17. We would welcome more input to proving that we are cost effective.

So with that—you know, I could go on and on, but I know you have heard it, and we just wish to continue on, and that hopefully we could have an increase. I mean, we have people that are working at $7,000 a year. I have two people in my program that are working at $9,500 per year and are heads of households.

Thank you.

Mr. ALEXANDER. You are welcome.

You heard what the acting chairman said about your program, and I can assure you that the support for your program is broad in our committee. We will do what we can to help the program. As you are probably aware, in the reauthorization legislation that the committee is considering, we address the problems of the CHR's. We consider them a very valuable program and profession for health services.

I am glad you came today. Thank you.

Ms. GUILLORY. Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF CONSUELO GUILLORY, SECRETARY-TREASURER, NATIONAL ASSOCIATION OF COMMUNITY HEALTH REPRESENTATIVES

Mr. Chairman, my name is Consuelo Guillory. I am a member of the Nez Perce Tribe from the State of Idaho. I appreciate your concern and the opportunity provided for this statement to be presented.

Today, I am speaking on behalf of the National Association of Community Health Representatives, which represents the interests and promotes those common concerns of Community Health Representatives.

The National Association of CHR's expresses its strong opposition to the Administration's proposal to eliminate the approximately 230 programs throughout the country which provides vital and necessary health care services to Indian families and children. We are grateful to Congress for its continuing support and for its direction to Indian Health Service to establish information which will demonstrate the cost benefit and medical efficacy of the program. Your direction has provided the needed opportunity for CHR Program personnel to participate in the development of measuring its efforts.

The CHR Program as it exists today is qualitatively different than that initiated in 1968. When the program was established, its main objective was to help Indian people use the health care services provided by Indian Health Service. The efforts were targeted on Maternal and Child Health care and infectious diseases. The success of these efforts is exemplified in 90 percent immunization rates across the country and a lower than average national infant mortality rate among the Navajo. The pervasive horror of tuberculosis among Indians is gone. Indian people no longer have to look forward to bewildering separations of their families as a result of this disease. The crisis and prevention efforts, such as, community education and public health care services provided by CHRs have lead directly to raising the health status of the Indian people.

In its early days, the qualifications for employment as a CHR were a drivers license and the ability to translate the needs of the communities to the health care service resources, including Indian Health Service. This vital focus has been maintained but the objectives have been enlarged necessitating the requirements of sophisticated skills and knowledge. A few examples are: The CHR's in the State of California are certified as State Home Health Aides. This certification requires assurance that the health worker has attained a specific level of skills and knowledge. The increases and promotions of the Navajo CHR's are dependent on the successful completion of an accredited course of study that spans a three-year period and in the Northwest, a growing number of CHR's are completing the Community Health Advocate Program, where, upon completion of one year's study from a community college, can earn an Associate of Applied Science degree and the skills necessary to work in our community. These training opportunities not only prepare the CHR's to do good work but have served as the stimulus to encourage a number to pursue health careers as a profession.

The work of the CHR's in the areas of health care and social services makes a beneficial contribution to the overall efforts of the people to maintain a community that is safe and healthy for its members. We guarantee you that the investment we are all making in this effort is a wise expenditure of our resources.

We thank you for the opportunity to participate in the *Evaluation and Resource Allocation Process Development Project.* We are able to sit down with Indian Health Service personnel to examine the building blocks of our programs and restructure them when needed. All CHR Programs will take the first step into the new process beginning Fiscal Year 1985. We believe this CHR Project effort is a graphic example of the most significant quality of our program; the translation of health care service needs to health care agencies to insure that the health status of American Indians and Alaska Natives is raised.

Along with the day to day services provided by our program, we are required to respond to crisis situations and cases of serious chronic illnesses. Emergency lifesaving skills have become tools of the CHR. There are CHR's who have been trained to operate dialysis machines to sustain life. The efforts of the CHR's in these instances reduces the drain on already strained resources. In these efforts, it is not unusual for the CHR to call upon the knowledge of the customary or traditional healing practices. Part of our responsibility is to acquire a knowledge of these remedies. Unlike Western thought, these remedies are not purely clinical, but involve a melding of community resources, medical, social and spiritual. These integrative characteristics of CHR Programs make it difficult for some to say readily that the work is being done.

CHR's are accused of being taxi drivers and not possessing the skills or knowledge to do their work. It is proposed that if this resource, the CHR Program, was not present, that everything would take care of itself. This simply is not the case. Unemployment on reservations is 60% plus and if the CHR Program is eliminated, costs will escalate for Indian Health Service because our people will not have access to transportation and a "small" health problem will compound without intervention by the CHR to educate, evaluate the situation and get them to the clinic, rather than the hospital.

Indian Health Service receives money to finance each CHR position at an average of $15,000 per CHR. This amount must cover everything associated with the position, i.e., salary, travel, fringe benefits and training. A recent examination of CHR services delivered by the Northwest programs reveals that the cost of "individual" services is $17.00. More often than not, these services are provided in the home.

We can assure you that the work we are doing makes a difference in the health care of our people and we look forward to coming before you to affirm this position at next year's appropriation hearings.

Mr. **Alexander**. Ms. Kauffman, do you have a prepared statement you would like to summarize?

STATEMENT OF JO ANN KAUFFMAN, PRESIDENT, AMERICAN INDIAN HEALTH CARE ASSOCIATION; ACCOMPANIED BY PAMELA IRON, DIRECTOR, INDIAN HEALTH CARE RESOURCE CENTER, AND ERMA MUNDY, DIRECTOR, INDIAN COMMUNITY HEALTH SERVICE

Ms. **Kauffman**. We have a prepared statement that has been submitted, and I would just like to make a couple of comments.

First of all, I would like to say that the American Indian Health Care Association, which represents the 37 urban Indian programs, is very much aware of the impact that the administration's budget for fiscal year 1985 is going to have on the health status of Indian people in reservation, rural, and urban areas, and we support the testimony of the National Indian Health Board and Ms. Guillory's statements.

The cutbacks that would occur in CHR's tribal management would impact urban Indian health, just as the cutback in urban Indian health would impact reservation capabilities to provide health care, because the fact of the matter is that Indian people are Indian people regardless of where they happen to be residing at any particular point in time, and Indian people are a very mobile population. Our population is oftentimes the same population that is served in the reservation areas at some point in time.

I would like to just summarize that the American Indian Health Care Association is recommending an appropriations level of $12 million for fiscal year 1985. The justification for the amount is based on the Health Care Financing Administration's inflation indicators.

I would like to ask Pam Iron to give you a description of that justification for the request.

I would also like to thank the Senate Select Committee on Indian Affairs for its support for urban Indian health and Indian health care generally over the past many years. We need your support again for fiscal year 1985.

Mr. ALEXANDER. Pam.

Ms. IRON. Yes. I am Pamela Iron, and I am chairman of the American Indian Health Care Task Force and also the director of the Indian Health Care Resource Center in Tulsa, OK.

The appropriations level for urban Indian health care has not kept pace with the increase in health care costs. As Jo Ann mentioned, according to the data available from the Health Care Financing Administration, which they calculate using a national health expenditure index, there has been an increase in the annual percentage rate of health care cost since 1965 of 12.8 percent.

If these actual increases had been reflected in the appropriation levels for urban Indian health care, the appropriation level would be at $16,617,972. There has been a loss in buying power of about $18 million. As a result, this has significantly affected the health status of the American Indian population in the urban areas.

Despite the limitations on funding, there also has been a dramatic increase in patient population. The $12 million that we are asking for in the budget this year would allow $1.3 million to upgrade the health care activity level in existing programs based on this increased demand. Also, the $12 million represents an additional $1,125,000 based on the 12.8 percent average annual increases in National Health Expenditures and $250,000 for needs assessments in cities where there are substantial Indian populations—no existing programs—with unmet Health Care needs.

The last portion of this is $300,000 to conduct a women's health promotion initiative which we feel is very necessary in our program.

Two other things that I would like to comment on are the myth of the alternate resources. In fact, Mr. Alexander, we are one of those alternate resources that the administration talks about that other people, other community programs, refer Indian people to. This alternate resource is really extremely limited. Unlike tribes and tribal organizations, urban Indian organizations are not eligible for direct funding under the Federal block grant program.

Also, the changes in the State medicare and medicaid policies via the stricter regulations that have been made, the ceilings on reimbursements, really limit Indian participation in these programs. All of these have resulted in about a 30 to 40 percent decrease in medicaid revenue which about six or seven of the larger programs have lost this last year.

In many metropolitan systems, the people refuse to provide health care to Indian patients because they believe that this is a Federal responsibility.

As we heard the administration testify this morning, they skirted the issue of Federal responsibility to tribal members living in urban areas saying that it was a low priority. But indeed, we know that in the Indian Health Care Improvement Act, which Congress passed 7 years ago, 1976, in the very beginning of this piece of legislation, it states that it is the Federal Government's responsibility to provide health care to Indians. This includes urban Indians.

The members of the association take this commitment seriously and believe that the continuation of this program is absolutely critical.

The other thing that I would like to comment on is that in the Title V Section of the Indian Health Care Improvment Act. There is a section 507. This is a report to Congress through the Indian health Service with the input of urban organizations. The service is to submit to Congress an assessment and evaluation for further recommendations on legislative activities.

I would like to ask this committee if they would request this document that Indian Health Services recommends to HRSA. I am recommending that the committee have access to the report that contains the Indian input because many times these reports get critiqued and the Indian philosophy and cultural appropriateness is deleted.

Mr. ALEXANDER. Fine. No problem.

Ms. IRON. Thank you very much.

Mr. ALEXANDER. Jo Ann, were you finished?

Ms. KAUFFMAN. Would you like to make a statement first?

Ms. MUNDAY. My name is Erma Mundy. I am director of Indian Community Health Service in Phoenix, AZ, which is a title V-funded program.

I have some brief comments to add to those of Ms. Kauffman and Ms. Iron.

In Phoenix, our program is community health nursing and home health care. I think that you know that all of the title V programs have been very cost effective, and we provide good health care services at a small cost.

I would just like the committee to know that with our home health care program, I did a cost-benefit analysis of 30 cases who received home health care, and skilled nursing services in their own homes. After the cost of our service, we estimate that $85,000 was saved in hospitalization costs.

Another program that we provide is community health nursing. That is best described as health promotion and disease prevention. One service we provide is followup to postpartum mothers and newborn infants.

There is also a large problem with prenatal cases, because many of the mothers do not get the prenatal care they need and are at very high risk. We would like to serve these mothers more fully if we had the staff and the money to do that.

So if we could expand our program, we would provide those additional services. As Ms. Iron pointed out in discussing the budget, I think all of the title V programs have needs that need to be addressed, and that is an example of one of them.

Mr. ALEXANDER. Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF MS. JO ANN KAUFFMAN, PRESIDENT, AMERICAN INDIAN HEALTH CARE ASSOCIATION

Mr. Chairman and Committee Members, I am JoAnn Kauffman, President of the American Indian Health Care Association. On behalf of the 37 urban Indian health programs, I would like to express our deep gratitude and appreciation for your continued support which has been key to the survival of these programs. I also want to thank you for the opportunity to appear before this committee to comment on the impact of the proposed FY1985 budget upon the access to and provision of health services for the urban Indian populations of this country. These American Indian people are currently surved by 37 programs in 19 states.

For the third year in a row, we appear before you faced with the administration's proposal to eliminate the urban Indain Health Programs funded under the authority of Title V of the Indian Health Care Improvement Act. Despite the fact that the 37 urban Indian Health programs have demonstrated outstanding success in improving the overall health status of their client population, we must fight tooth and nail every year just to survive. There are so many areas of health care delivery that cry out for our full attention. We can only look forward to a time when the urban Indian health programs will be granted the recognition they deserve as an important part of the Indian Health Service health care delivery network.

According to the 1980 census, over 50% of the American Indian population now resides in urban communities across the nation. A large percentage of that population was moved to urban areas as a result of the massive relocation program undertaken by the Federal Government during the 1950's. This Indian population maintains strong ties with their reservations and the vast majority continue to be tribal members. No Act of Congress and no court decision has ever determined that their status as Indians terminates once they cross the reservation border. In fact, Mr. Chairman, Congress has stated that the Federal Government has a responsibility to provide health care to Indians, including urban Indians, in the Indian Health Care Improvement Act. The members of the Association take this commitment seriously and believe that the continuation of these programs is absolutely critical.

APPROPRIATIONS vs. HEALTH CARE COSTS & UNMET NEED

The appropriation level for urban Indian Health programs has not kept pace with the increase in health care cost. According to data available from the Health Care Financing Administration, National Health Expenditures have increased at an annual percentage rate of 12.8% since 1965. Since 1978, the annual increases have been as follows:

1978	......	11.9%
1979	......	13.5%
1980	......	15.8%
1981	....	15.1%
1982	......	12.5%

If these actual increases had been reflected in the appropriation levels for urban Indian Health Programs, appropriation levels would have risen as follows:

APPROPRIATION LEVEL			INCREASE IN NATIONAL + HEALTH EXPENDITURES		ACTUAL APPROPRIATIONS	SHORTFALL
1978	$ 6,858,000					
1979	6,858,000	+	11.9% =	$ 7,674,102	7,270,000	404,102
1980	7,674,102	+	13.5% =	8,710,106	8,000,000	710,106
1981	8,710,106	+	15.8% =	10,086,302	8,900,000	1,186,302
1982	10,086,302	+	15.1% =	11,609,334	8,160,000	3,449,334
1983	11,609,334	+	12.5% =	13,060,501	6,000,000	7,060,501
1984	13,060,501	+	12.8% = (est.)	14,732,245	9,000,000	5,732,245

As a result of this shortfall in appropriations over the last six years, the urban Indian health programs have actually incurred a total loss in buying power of $18.5 million. It is not surprising when we review these statistics that the health status of American Indian people falls significantly below that of the general population.

Using the average annual increase of 12.8% in health expenditures, the 1985 appropriation level should be $16,617,972.

Despite the limitations on funding the need for health services has increased dramatically. In Dallas, for example, the patient population has increased by 185.9% since 1979 while the actual dollars have only increased by 10.1%.

The following chart shows a breakdown of that increase:

YEAR	SERVICE GROWTH	IHS DOLLARS
1980	75.2%	10.1%
1981	69.0%	11.1%
1982	5.0%	2.0%
1983	36.7%	-13.1%
TOTAL:	185.9%	10.1%

The Dallas Indian community has a unemployment rate of 45.6% and 53% of that population is at or below the proverty level. The majority of this population has no insurance and many hospitals in the Dallas area will not admit them without proof of ability to pay.

By maximizing personnel hours, cutting down on actual clinic hours, etc., programs have managed to accommodate the increasing demand. However, there is only so much that can be done with limited resources. Many projects have turned away patients because they simply do not have the resources to treat them.

BUDGET REQUEST.

As all Americans, we are cognizant of the federal deficit. However, American Indian people have been the victims of extreme deficits in health care and we, therefore, recommend that Congress appropriate at least $12 million for FY 1985.

The $12 million would permit the follows:

1. $1.3 million to permit an upgrading of health care activity levels in existing programs based on an increasing demand for services which currently cannot be met,
2. $25 million to conduct needs assessment and feasibility studies in 5 - 7 urban communities that have substantial Indian populations with unmet health care needs.
3. A 12.8% increase (over 1984 appropriation level) for current program operations, based on average annual increases in National Health Expenditures.
4. $.3 million to conduct a women's health promotion initiative in urban areas, (Discussed in more detail later).

One of the myths that continues to persist is that alternate resources are available to provide health care to the urban Indian population. The urban programs have been able to document that these so-called "alternate resources" are extremely limited, where they exist at all.

1. Unlike tribes and tribal organizations, urban Indian organizations are not eligible for direct funding under the federal block grant program.
2. Changes in state Medicaid/Medicare policies via stricter eligibility criteria, demand for co-payment, deductibles that must be met before care is reimbursed, and ceilings on reimbursement severely limit Indian participation. As a result of these changes, some of the larger projects will sustain a 30% to 40% decrease in Medicaid revenue.
3. Many metropolitan systems refuse to provide health care to Indian patients, believing they are a federal responsibility.

There are many true stories which point up the problem with alternate resources. In Minneapolis, for example, an Indian woman came to the mergency room of the University of Minnesota Hospital hemorrhaging badly following the birth of her child. The emergency room nurse called the American Indian Health Care Association office in St. Paul to find out if the Association could provide treatment. The Association provides no health care and referred the nurse to the Indian Health Board of Minneapolis. The nurse called the Health Board which sent someone to pick up the bleeding woman and transport her to the urban clinic where she finally received treatment. IHS has a contract with the University of Minnesota for 100% reimbursement of costs when they treat an Indian referred by Aberdeen IHS. So they turned away this critical case. Without the Indian Health Board of Minneapolis, this woman could have died for lack of treatment.

The Oklahoma City project has particular problems because of a lack of available hospital space for their OB patients. One Indian woman in the final stages of labor was turned away from two hospitals. She delivered her baby in the car on the freeway trying to make it to the closest IHS facility some 50 miles away. Another woman had her baby at the Oklahoma City urban health program because she could not gain admittance. With incidents like this it is not surprising that the infant mortaility rate for Indian babies in the area doubled from 1979 - 1981 to 25 in every 1,000 live births. This is well over double the national average.

Despite these horror stories, it is important to note that the 37 urban health projects have made great strides in networking with existing health care delivery systems. The projects that provide information and referral work extensively with both public and private health care providers. Those projects that provide direct health care services have become full partners in the community health care network. In Seattle, for example, the Seattle Indian Health Board has the largest patient load of any community clinic. The other health care providers have stated that there is no possible way to absorb the urban Indian population should the Seattle Indian Health Board be eliminated.

NEEDS ASSESSMENTS

There are a number of urban areas with significant urban Indian populations that have requested assistance to explore the feasibility of developing health projects. These areas include Flagstaff, Arizona, Bismark, North Dakota, Cleveland, Ohio and Boise, Idaho. We propose to utilize $250,000 to do needs assessments to determine what kinds of services these Indain populations need and how best to serve them. This amount would allow for 5 - 7 such studies depending on work that has already been done in these areas.

WOMEN'S HEALTH INITIATIVE

The problems noted previously concerning obstetric services highlights a major problem in urban Indain health care -- the health status of women. Overall, the projects have been very successful in providing effective pre-natal care thereby lowering the infant mortality rate. The utilization of community hospitals for delivery continues to be a major problem. It has become extremely difficult to find OB doctors willing to deliver these babies. The staggering unemployment levels among the urban Indian population has compounded many problems and the clinics are seeing higher numbers of battered women and abused children than ever before. The rate of teenage pregnancies is growing as dollars available for family planning decrease. More and more women are requesting mental health services. The members of the Association believe that the problem of our female client population must be examined and systems developed to address these problems. Programs then, can be replicated in other Indian health projects.

Our ability to improve the health status of the Indian population is dependent upon how effective we are with the health needs of women and their children. We would like to undertake a multi-year special initiative to attack this problem in an effective manner. Initial funding would provide for study of the various issues involved and the development of program models to be implemented on a test basis in 2 or 3 projects. Every effort would be made to establish linkages with other DHHS programs dealing with women's health issues and utilize existing information wherever possible.

Efforts to improve the health status of our patients have been met by Administrative obstacles. Last year Congress recognized the need to increase Title V appropriations as a means to keep pace with the escalating cost of health care and provided a $1 million increase. To date, that increase to meet the needs recognized by Congress, has not been passed along to service programs by the Indian Health Service.

Mr. Chairman, Indian and Alaskan Native people have always been a mobile population. Indians residing in urban areas maintain strong ties with their tribes and mirror the same low health status of their reservation cousins. To ignore the urban Indian population is to abandon the national goal established in the Indian Health Care Improvement Act, "....of providing the highest possible health status to Indians...." . The American Indian Health Care Association and the 37 health programs it represents have struggled for the last three years to survive and maintain existing services. We ask for your renewed commitment to this national goal through full funding for the urban Indian health program.

Thank you.

Mr. **Alexander**. Ms. Kauffman, you indicated in your statement that cutting the urban Indian programs would have a very negative impact on reservation health systems. Could you expand on that for the record as to what exactly that means and what the components of that are?

Ms. **Kauffman**. Before the development of many urban Indian health care programs that are currently providing direct health services, Indian people did, to a much larger degree, and still do today, return home to reservations for major medical problems.

I think that the migration of Indian people to urban areas and back to reservations is an ongoing phenomenon. A lot of times the motivation is related to the need for medical care. A lot of times the motivation is the need for better employment, and a lot of times it surrounds a family crisis with implications for mental health in addition to medical care.

I think that the overview of health care for Indian people needs to take into consideration the fact that Indian people move, and Indian people go to the cities, and Indian people return to the reservations, and just because they are in one part of the country does not mean they are any less Indian, and it does not mean that the Federal Government has any less responsibility to provide health care to those people.

If we eliminate one portion, it is going to have an impact on the rest of the system, because the urban Indian health program is an integral part of the overall Indian Health Service Systems.

Mr. **Alexander**. What comments would you have, if any, on Dr. Graham's answer to Senator Melcher this morning that, as I understood it, it was not an issue of policy to exclude urban Indians from medical services but a fiscal constraint. I think that is what he said.

Ms. **Kauffman**. I think that the fact that the urban Indian health program utilizes only $9 million, less than 1 percent of the Indian Health Service budget, to serve the urban population, which has been estimated to be about 50 percent of the Indian population in the United States, is an indication of priority.

I think that eliminating the program is an indication of policy; that, in fact, they are expressing their policy that there is no Federal responsibility, and I think that is not true. There has never been any statement from Congress nor any court decision that has said that that Federal responsibility to provide health care terminates when you leave the reservation.

I think that urban Indian health programs are offering a channel through which the Federal Government can meet that responsibility and meet it in a very cost-effective way.

Margaret Heckler came out with a statement 2 days ago in the Washington Post that listed the health care expenditures nationally for every man, woman, and child in the United States, which was $1,635 a year. If you took the $9 million that was appropriated last year for urban Indian health and divided the urban Indian population into that, that comes out to slightly less than $18 a year.

I think that the urban Indian health programs have been working very hard and have been able to match every IHS dollar with another local dollar in order to maximize the limited resources, and I think that by eliminating urban Indian health, it is not a statement of priority but in fact a statement that the administration feels there is no responsibility.

Mr. ALEXANDER. Did you wish to add anything?

Ms. IRON. I would just like to make a comment about the funds. In the very beginning of urban Indian health care these were not ever Indian Health Service dollars and were not ever diverted from any other part of the Indian Health Service budget. This was additional dollars that Congress provided.

So the administrator's point in fact is not made as far as priorities. This money, if it were not there, the $9 million, would not go into, for example, the CHR program or anything else. It was never included or taken away from any other part of the budget, so that disclaims the priority premise of his statement.

Mr. ALEXANDER. Thank you. I appreciate you all coming today to testify.

We will be continuing on this vein next Wednesday on the reauthorization of the act. It is nice to see you all.

Our final panel this afternoon is a representative from the National Congress of American Indians—I believe that is Diane Kelley—and a representative from the National Indian Health Board. Is Donald LaPointe here? Do we have someone from the National Tribal Chairmen's Association? No, we do not, so we will start with you two.

Your full statements, which we have already received, will appear in the record. We would appreciate it if you would summarize your statements for us.

STATEMENT OF DONALD LaPOINTE, SECRETARY, NATIONAL INDIAN HEALTH BOARD

Mr. LAPOINTE. Mr. Chairman, on behalf of the National Indian Health Board and the National Congress of American Indians, we want to express our thanks for allowing us to be here before this committee and to express our concerns over the administration's proposal for the fiscal year 1985 budget in regard to Indian Health Service.

Our testimony will cover third party reimbursements. We would like to stress our concern in this particular area in that the administration is asking for $65 million in medicare and medicaid, and so far this last year they collected only $25 million in third party payments, and this year, according to some research, it shows that they collected only $8 million. When you multiply that times the four quarters, it is going to come to $32 million, so there is going to be a shortcoming in this area.

Our testimony also covers clinical services and emergency medical services. We are concerned about the community health representatives and that that program be continued, as well as the Indian health manpower and Indians Into Medicine Programs.

We also feel that the scholarship program should be reinstated under the health manpower programs. We are concerned over urban Indian health care. Ms. Iron just mentioned that they needed some $12 million. They probably could do with $16 million in the program and still not have enough to operate that.

We are concerned over the level of funding for contract health care. The proposed budget calls for $157 million. This program will lose worse due to inflation. If funded at $165 million, the program will lose $1,700,000 in fiscal year 1985, or a decrease of an average daily patient load of 39.

We are concerned about preventative health and public health nursing and the construction of hospital facilities and sanitation facilities.

[The prepared statement follows:]

PREPARED STATEMENT OF DONALD LAPOINTE, SECRETARY, NATIONAL INDIAN HEALTH BOARD

On behalf of the membership of the National Indian Health Board and the National Congress of American Indians, I wish to express my appreciation to the Committee for this opportunity to present our concerns with the Administration's proposed FY 1985 budget for the Indian Health Service.

Our testimony will address what we feel are several fundamental weaknesses with the Administration's proposal. First, however, we wish to express our concern with the overall trend of health care for Indian people in recent years. Each year from 1979 through 1983 (the last year complete figures were available), in spite of apparent increases, IHS appropriations actually decreased and the agency's capability to deliver quality health care has declined substantially. This information is according to figures supplied by the Health Services and Resources Administration for the FY 1984 budget hearings, which take into account health care cost inflation and adjust dollar amounts to remain in constant 1974 dollars.

The FY 1985 budget submission proves no exception to this disappointing trend. While health care costs continue to escalate (a health care inflation rate of 10-15 per cent is projected for this year), the Administration is suggesting an IHS Health Services budget totalling over $35 million less than in FY 1984.

Third Party Reimbursements

An alarming aspect of the President's budget is that it counts upon some $65 million in Medicare, Medicaid, and other third party reimbursements. We understand that at best IHS expects to collect $30-$32 million in third party reimbursements in FY 1984, not $48 million as the Administration estimates in its justification. Expectations that this amount could be increased by $30-$35 million next year are clearly unrealistic.

As the Administration's budget justification explains, last October IHS began collecting reimbursements from Medicare under the Prospective Payment System. "There is not sufficient data to fully assess the impact and effect of this new methodology. *However, from initial data, it would appear that there may be as much as a ten per cent reduction in the collections." (emphasis added), states the justification.*

It is also a poor time to look to increased Medicaid collections. Again, citing the Administration's own justification: "It is assumed that the states will be doing as much as possible to reduce the costs of their individual Medicaid programs....This will affect the amount of collections that IHS can recover from the various state programs."

Aside from these issues, such a proposal to offset appropriations with Medicare and Medicaid reimbursements reflects a disregard for the original intent of these funds. As specified in the authorization for these collections, these reimbursements are dedicated to maintaining the quality of IHS facilities and services at accreditable levels. If the proposed offset were implemented, an immediate reduction in services would result. Consequently, facilities accreditation, and thus the future receipt of these funds, would be jeopardized.

The budget again this year as last assumes collections from third parties, insurance companies in particular. The policy of not seeking reimbursements from other third party payors has been tied to a fundamental tenet of Indian health services policy: that health care is offered to Indian people as part of the Federal government's trust responsibilities. It would require major legislation to change the traditional arrangement of service availability to all eligible Indians. Nonetheless, during FY 1984, the IHS began billing for services provided in IHS facilities to Indian patients who have private insurance. At present, reports IHS, "it is unclear whether insurance companies will pay any of the claims submitted."

Clinical Services

Assuming a health care inflation rate in the 10 to 15 per cent range this year, a $50-$75 million increase in clinical services is necessary for IHS to simply provide an equivalent level of health services next year. In this category, the Administration is suggesting an increase of only $19.5 million.

To make matters worse, the Administration's clinical services budget depends heavily on projected third party reimbursements. Nearly $65 million in projected reimbursements is assumed for use in the hospitals and clinics line item alone. Based on an inadequate overall IHS budget request and the inaccurate assumptions pertaining to reimbursements described above, we believe there would be significant reductions in health services to Indian people under this request. Our concern is grave that progress being made this year with the aid of a congressional "add-on" would be jeopardized, returning Indian health care to its status of a year ago. At that time, IHS suffered critical staffing shortages, unpurchased and/or unavailable equipment, and dangerously low supply levels.

We urge the Committee to continue its efforts to address the tremendous unmet health care needs of Indian people and to fulfill the intent of the Indian Health Care Improvement Act by providing the resources necessary to deliver quality care to all Native Americans.

Emergency Medical Services

The need for an effective emergency medical response and transport service is especially acute within the Indian Health program due to the high incidence of trauma and other emergent situations and the isolated wilderness and rural settings within which the program is carried out.

Tribal governments and national Indian organizations including our own have consistently given the highest priority to improvement of emergency medical care as it is our firm belief that a relatively small investment of funds in this area could result in both a reduction in the severity of morbidity for certain accident victims and the severely ill as well as the saving of many lives that would otherwise be lost.

The unmet need at this time for an effective EMS program remains at $10 million. We appeal to you to favorably consider appropriation and/or identification of $10 million recurring and $1 million non-recurring funding for the emergency medical services program.

Community Health Representatives

The Community Health Representatives continue to be an integral part of the tribal health care delivery system. The Administration is, for the fourth year in a row, seeking elimination of the program, as part of an effort to focus IHS budgetary resources on "maintaining key inpatient and outpatient medical care resources." At the same time, the IHS medical community has insisted that the program is irreplacable in their own efforts. Last year, IHS' National Council of Clinical Directors (composed of all IHS physicians) made a plea to the director of IHS that "closure of the Community Health Representative Program would have a severe negative impact on our ability to provide a comprehensive health program for the Indian people."

They cited the following ways in which the CHRs' work complements the Indian Health Service program: CHRs work at the home level with Indian people and provide direct health care; CHRs provide culturally-oriented health education and strongly supplement IHS' preventative health programs; CHRs assist health providers in gaining access to patients in remote locations and facilitate accessibility of Indian Health Service facilities to the Indian patient.

In allocating CHR funds in Fiscal Year 1984, the appropriations committees demanded continued review and evaluation of the program. Currently under development are: guidelines on scope of work for contracts defining specific health care delivery areas, functions and settings; a methodology for measurement of CHR project effectiveness (in terms of cost and quality of health care activities delivered), and a revised resource allocation process. If accepted by IHS management, staff estimate that all of the above could be ready for implementation at the start of Fiscal Year 1985. To address past criticism that the CHR program has not been fully accountable, we join the National Association of Community Health Representatives in asking that IHS be mandated to develop and employ a uniform mandatory reporting system for all tribal CHR programs.

The CHR program is operating with total appropriations of $30 million for FY 1984. $26 million was included within the program's line item and an additional $4 million, which finances the Emergency Medical Services portion of CHR activities, was directed from IHS' hospital and clinics budget.

We urge continued funding of the CHR program of at least the current $30 million level and indeed encourage the Committee to consider the National Association of Community Health Representatives' request of an increase to $36.3 million which would allow a modest cost of living increase for these dedicated community health workers for the first time in five years. We also support the CHR Association in its request for additional funds to provide training specific to tribal needs. For the past several years, inadequate funding has prevented CHRs desiring to upgrade their skills (beyond basic training) from doing so.

Indian Health Manpower

IHS continues to suffer from a critical shortage of health professionals, and we therefore oppose the Administration's proposed reduction in the Indian Health Manpower program. The IHS budget justification provides no explanation of why the program is being phased out, nor does it offer information as to available alternative sources of scholarship assistance.

Under the Indian Health Manpower scholarship program, we have seen significant improvements in the number of Indian health professionals serving our people. We believe this program is the most reliable source of future Indian health professionals and the best way to protect against manpower shortages in the years to come. We therefore ask this Committee to restore the $1.4 million in funding the Administration has proposed to eliminate in FY 1985 so that new scholarships will be available for Indian students under sections 103 and 104 of Title I of the Indian Health Care Improvement Act.

We also urge the Committee to continue the section 102 recruitment programs, particularly the Indians Into Medicine and Master of Public Health programs.

Appropriations of $240,000 and $250,000 for the MPH and INMED programs, respectively, would allow continued provision of their valuable services at roughly the same level next year.

Tribal Management

Since nearly all tribes who wish to manage part or all of IHS operated health programs need preparatory development of their management capacity, P.L. 93-638, primarily under section 104(b) grants, provides the legal authority, and tribal management funds provide the resources to support such activities.

There has been no increase in this activity for three years, while the need for development, training, and improvement of management systems in concert with increasing levels of tribal contracting have not diminished.

We oppose the recommended elimination of the tribal management program. We would instead ask that the $2.6 million provided in FY 1984 be expanded to $8 million in order to realistically finance new initiatives and their indirect costs. (There is also a need for continued financing of indirect costs. Currently no such funding exists.)

Urban Indian Health

As reflected by the 1980 Census, approximately 50 per cent of the American Indian population reside in off-reservation areas. In establishing Title V of the Indian Health Care Improvement Act, Congress recognized that urban Indians experience a disproportionate problem of access to health services and that their health needs were not being met by other resources.

Some 37 programs are funded under the urban Indian health activity, the majority of which provide direct health services. The FY 1985 budget request proposes elimination of the urban health program under the assumption that non-reservation Indians will be eligible for services funded with alternative resources, such as block grants to states and other state and local funding for health services. As testimony last year by urban Indian health directors clearly demonstrated, this has not been the case.

In its justification for next year's budget, the Administration states that "The overriding commitment...is the continued provision of high quality health care to American Indians and Alaska Natives in the most cost-effective manner." The urban health program's use of its $9 million appropriation (along with what other resources have been secured) to serve an estimated 300,000 population makes it one of the most cost-effective health care delivery mechanisms within IHS.

Included in the $9 million appropriation for urban Indian health this year was a $1 million increase from the FY 1983 level of funding. To date, IHS has not passed this increase along to the urban programs nor provided an explanation for its failure to do so. We join the American Indian Health Care Association in demanding that these funds be immediately released. We further support their requests for: adoption by IHS of a common reporting system for the urban projects in order that a health information base may be built for this population; and establishment of an Office of Urban Indian Health within IHS headquarters.

We support the urban Indian health projects in their request for $12 million to allow program continuation in FY 1985.

Construction

Facilities Construction

We are deeply concerned about this Administration's continued disregard for the planning, construction and maintenance of Indian health facilities. In addition to its failure once again to request IHS construction funds in FY 1985 the Administration is proposing to transfer the "Indian Health Facilities" program to the "Health Services" budget. We believe that such a move would cause the IHS construction program to lose its separate identity, and could make future IHS construction appropriations more vulnerable to the Administration's manipulation--such as unwarranted delays in the release of funds and "reprogramming" requests--that we have witnessed in recent years. We oppose the transfer and request that this committee support continuation of a separate budget authority for IHS construction activities.

At the behest of Congress, IHS has developed a construction priority system for hospitals, outpatient clinics and modernization/repair that ranks facilities according to the unmet health needs of the Indian population. This ranking has provided Congress with an objective, rational approach to the construction of health facilities on Indian reservations. We deeply appreciate this committee's past efforts to adhere to the priority ranking system and we respectfully request that funding be allocated in accordance with this list in FY 1985 for the following projects:

a. Hospitals - For Phase II construction and equipment for the hospitals at Crownpoint, N.M. ($9,064,000) and Kanakanak, AK ($5,490,000); for Phase I construction and purchase and long-lead equipment for hospitals at Rosebud, S.D. ($9,740,000) and Pine Ridge, S.D. ($13,214,000); for construction and equipment for the hospital at Sacaton, Ariz. ($17,590,000); and for final planning of the hospital at Anchorage, AK ($3,240,000).

b. Modernization and Repair - For miscellaneous alternations and repairs at existing IHS facilities ($12,734,000); for special concerns ($4,832,000); and for establishment of a general repair and improvement fund ($1 million).

c. Outpatient Facilities - For construction of clinics at Kyle, S.D. ($3,760,000), Ft. Thompson, S.D. ($2,960,000), Wolf Point, Mt. ($4,030,000), and Wagner, S.D.; and planning and design of clinics at Parker, Ariz. ($200,000) and St. Regis, N.Y.

d. Personnel Quarters - For construction of personnel quarters at Crownpoint, N.M., Kanakanak, AK, Huerfano, N.M., Kyle, S.D., Ft. Thompson, S.D., Wagner, S.D., and Wolf Point, Mt., a total of $11,566,000.

Sanitation Facilities

Much of the improvement in Indian health care over the past 20 years is a direct result of the IHS sanitation program which provides water supply, sewage disposal, and solid waste disposal for Indian homes and communities. Despite this program's success nearly 22,000 Indian homes lack adequate water and sewage facilities and Indian families, as a result, are exposed to sanitary and environmental health hazards. In order to begin addressing this tremendous unmet need, which totals $489 million we ask that a minimum of $30 million be provided in FY 1985 for sanitation facilities in existing Indian homes and facilities. In addition we anticipate that approximately 3,000 new non-HUD Indian homes will need water and sewer hookups in FY 1985, and we estimate that approximately $24 million will be needed to provide these facilities. Finally, we wish to express our concern with the existing inter-agency agreement between HUD and IHS for the funding of sanitation facilities in new HUD homes built on Indian reservations. The arrangement, which provides for the transfer of sanitation funds from HUD to IHS, is cumbersome and inappropriate. We ask that the committee continue to monitor this situation in order to insure that these monies are indeed transferred and that new HUD Indian homes are properly provided with water and sewer facilities.

This completes the testimony submitted by the National Indian Health Board and the National Congress of American Indians. We greatly appreciate this opportunity and stand ready to assist this committee in any possible in implementing the recommendations made in our testimony.

STATEMENT OF DIANE KELLEY, RECORDING SECRETARY, NATIONAL CONGRESS OF AMERICAN INDIANS

Ms. KELLEY. Mr. Chairman and honorable members of this committee, my name is Diane Kelley, and I am the recording secretary for the National Congress of American Indians, which represents 121 member tribes having over 400,000 Indian citizens.

On behalf of the National Congress of American Indians, I wish to express my appreciation to this committee for the opportunity to appear today and comment on the impact of the fiscal year 1985 Bureau of Indian Affairs and Indian Health Service budget.

I would like to address several areas in the Indian Health Service budget. The total fiscal year 1985 Indian Health Service budget projects a total spending level of $742 million, $89 million less than the fiscal year 1984 appropriation.

Some of the major cuts involve elimination of the following programs: Urban Indian health care. The 37 urban Indian health programs are proposed for entire elimination. The reasoning for this cut is that alternative health care sources for nonreservation Indians will be available under other Federal and State programs.

However, we know from documented testimony from previous hearings that this is unfortunately not always the case. When Congress established title V of the Indian Health Care Improvement Act, providing for health services to urban Indians, it was based on the fact that Indian people living off the reservation/colonies were not having their health care needs met by other sources. NCAI supports continued funding of $12 million for urban Indian health programs in fiscal year 1985.

Another cut would be in the area of community health representatives. The Community Health Representatives Program is managed by American Indians and Alaska Native tribes through contractual agreements with IHS and, hopefully, will continue to be a successful program. CHR's provide community-oriented health services for Indian people who at times would otherwise not have access to health care because of remote locations, inability to travel to IHS facilities, and other factors contributing to the inaccessibility to proper health delivery services.

By eliminating this program, we are imposing a serious negative impact on an otherwise effective tribal program. NCAI continues to encourage support of the CHR program and funding of at least the current $30 million level.

In facilities construction, the Indian Health Services health delivery system includes operation and maintenance of 47 hospitals, 84 health centers, over 300 health stations, warehouses, maintenance shops, et cetera.

In fiscal year 1984, $10 million will be utilized for correction of backlog of maintenance and repair deficiencies. The administration has proposed not to appropriate funding for the construction or modernization and repair of Indian health facilities in fiscal year 1985.

NCAI supports and requests that funding be allocated according to the priority ranking system developed by IHS for the following projects. Hospitals: For phase II construction and equipment for hospitals at Crownpoint, NM; Kanakanak, AK, $5,490,000; phase I construction and purchase and long-lead equipment for hospitals at Rosebud, SD, $9,740,000; and Pine Ridge, SD, $13,214,000; for construction and equipment for the hospital at Sacaton, AZ, $17,590,000; and for final planning of the hospital at Anchorage, AK, $3,290,000.

Another area is modernization and repair for miscellaneous alterations, outpatient facilities, for construction of clinics, and personnel quarters, for construction of personnel quarters in these hospitals that I mentioned. The remaining recommendations and amounts are included in the written testimony.

Turning to third party reimbursements, we are concerned with the amount of money that IHS is anticipating collecting from third party reimbursements. This includes medicare and medicaid. As the administration estimates, it is not realistic that these amounts will be collected. The fiscal year 1985 request also proposes to cover a portion of the mandatory cost increases.

Indian health manpower provides resources for training of health professionals and deals wtih problems of manpower shortages without continuing provisions for appropriations to support these programs.

With the net decrease of $1,368,000, 63 students will not receive funds to continue in the Indian health manpower program. This decrease also eliminates support for the Indians Into Medicare Program and the Master's in Public Health Programs.

NCAI opposes any reduction in this needed area. We request that this program be funded at $1.4 million for continuation of sections 103 and 104 of title I of the Indian Health Care Improvement Act to provide scholarships for Indian students. We request appropriations of $240,000 and $250,000 for funding of the Indian Health Manpower and Indians Into Medicine Programs allowing for continued provision of these services at the same fiscal year 1984 level.

The IHS sanitation program, providing much needed improvement of health conditions in an oftentime hazardous environment, has been decreased by $2,521,000 and the administration is proposing to offset the program by reimbursements from third-party sources. We are recommending that the sanitation program by IHS be funded at a minimum of $30 million in fiscal year 1985 to provide for existing homes and facilities.

This concludes my presentation on the health area. I would now like to address NCAI's concerns in education, unless you have something to add.

Mr. LAPOINTE. No, let us proceed on the Bureau of Indian Affairs portion.

Ms. KELLEY. All right.

This concerns forward funding. All other education programs are forward funded except those in the U.S. Department of Interior. This places tribal education programs and tribal contract schools at an undue disadvantage in planning their programs. USDI/BIA education programs need to be forward funded.

Funding for tribally controlled colleges as authorized by Public Law 95-471 and Public Law 98-192 is another area of concern. Seventeen NCAI member tribes have tribal community or reservation colleges.

NCAI supports the redefinition of the current funding formula which assesses Federal support to these colleges on an Indian student count rather than by the existing full-time equivalency formula.

The tribal colleges are funded in the current fiscal year 1984 at $2,535 per full-time equivalent. NCAI supports a supplemental appropriation for fiscal year 1984 of $1.1 million to compensate for the current underfunding, a result of inaccurate enrollment projections last year.

The tribal colleges themselves project a fiscal year 1985 enrollment of 2,800, some 400 over departmental projections. Based on this primary source projection, we urge an appropriation of $9.3 million for fiscal year 1985 under title I.

Two of NCAI member tribes' colleges received full 4-year accreditation status in the past year, and two more will be up for consideration this spring. These colleges are making an immeasurable contribution toward self-sufficiency and improving the quality of life for their tribal citizens of many ages.

The next area I will address will be vocational education. Eighty-six NCAI member tribes applied for critically needed moneys for vocational training programs. Less than one-quarter of the tribal applications were funded under the 1 percent set-aside for Indian tribes of $6 million.

This current funding situation is sorely inadequate. Excluding a small number of more fortunate tribes, unemployment among NCAI member tribes ranges from 35 percent to 78 percent. Adequate vocational education programs would address this situation.

The Department of the Interior has been statutorily mandated since 1978 to match that 1 percent Indian set-aside provided through the U.S. Department of Education. The U.S. Department of the Interior has continually received an appropriations waiver enabling it to ignore this statutory mandate. NCAI urges the members of this committee to consider seriously this need. It would help to meet a critical national need.

In addition, while Indians are approximately 1 percent of the national population, the correlating 1-percent set-aside does not accurately reflect a recognition of the greater vocational education training needs on Indian reservations.

The national tribal need and accompanying unemployment statistics, in many cases eight times higher than the Nation's total unemployment average, justifies a substantially higher set-aside. NCAI urges at least a 2-percent set-aside in vocational education for the Indian tribes.

Postsecondary education is one of the most reliable improvement vehicles for tribes in their efforts to reach goals of self-sufficiency and improving the quality of life for their Indian citizens.

Following are some congressionally determined critical disciplines: NCAI recognizes and reaffirms the national need for Indian professionals in law, medicine, business administation, engineering, and forestry. But we feel that the 1980's have brought us into a new era that must recognize and encompass additional critical need disciplines. Among these are the high technology professions. Math and science professions were acknowledged by the House of Representatives last year as a critical need, and NCAI agrees that more focus must be placed on bringing more Indians into these, as well as other professions, as determined by the tribes to meet their changing professional needs at the tribal level.

NCAI believes that the intent and spirit of federally supported postsecondary assistance to Indian individuals is to make an impact on improving the quality for as many Indians as possible.

Accordingly, we urge that more assurances must be tied to these individual packages of financial assistance to ensure that these individuals give a return on the Federal financial investment by making some return in services to their Indian people.

The need for these trained professionals on reservations, in Indian communities, in Federal programs serving Indians, and in the national Indian arena is far too great for the national Indian community to suffer the loss of these highly trained Indian individuals to mainstream society.

If stipulations are not tied to appropriations to USDI and USDE Indian post-secondary assistance, then in many instances these dollars may as well have been targeted to direct mainstream education fellowships. It is far too often mainstream Americans receive the final benefits.

There is a demonstrated national recognition of the increasing demand for post-graduate training. USDI strives to meet this need through its special higher education grant program. American Indian Scholarships, Inc., the USDI contracting agency for this program, has substantiated an unmet need for some 300 Indian graduate study applicants, at a total of $2.5 million. Through whatever vehicle Indian graduate students' needs are addressed, the Nation's increased demands for post graduate educated professionals affect Indians equally.

While USDI has not yet officially presented their automatic data processing system plan to this committee, we understand the internal departmental plan reprograms some $19 million in tribal services, $5.898 million of which comes from direct education services in fiscal year 1984. Should this proposal become reality, NCAI urges this committee to restore the full loss by supplemental appropriation for the current fiscal year.

Indian school equalization programs and Johnson O'Malley should be restored to at least the fiscal year 1981 level.

One of NCAI's most critical concerns is the need for the Senate to act expeditiously on the Comprehensive Education amendments this year. Indian education must not be treated as a partisan issue.

[The prepared statement follows. Testimony resumes on p. 489.]

PREPARED STATEMENT OF THE NATIONAL CONGRESS OF AMERICAN INDIANS, BY JOE DE LA CRUZ, SUBMITTED BY DIANE KELLEY, RECORDING SECRETARY

Mr. Chairman and Honorable members of this Committee, my name is Joe De La Cruz and I am President of the National Congress of American Indians (NCAI) which represents 121 member Tribes having over 400,000 Indian citizens. On behalf of the National Congress of American Indians (NCAI), I wish to express my appreciation to this committee for the opportunity to appear today and comment on the impact of the FY 85 Bureau of Indian Affairs and Indian Health Service budget and share some of our concerns with the areas affecting the health care of American Indians and Alaska Natives.

I would like to address several areas in the Indian Health Service Budget. The total FY 85 Indian Health Service budget projects a total spending level of $742 million, $89 million less than the FY 84 appropriations. Some of the major cuts involve elimination of the following programs:

Urban Indian Health Care:

The 37 Urban Health Programs are proposed for entire elimination. The reasoning for this cut is that alternative health care sources for non-reservation Indians will be available under other Federal and State programs. However, we know from documented testimony from previous hearings that this is unfortunately not always the case. When Congress established Title V of the Indian Health Care Improvement Act, providing for health services to urban Indians, it was based on the fact that Indian people living off the reservation/colonies were not having their health care needs met by other sources. NCAI supports continued funding of $12 million for urban Indian Health programs in FY 85.

Community Health Representatives:

The Community Health Representatives program, managed by American Indian and Alaska Native tribes through contractual agreements with IHS is and hopefully will continue to be a successful program. CHR's provide community oriented health services for Indian people who at times would otherwise not have access to health care because of remote locations, inability to travel to IHS facilities and other factors contributing to the inaccessibility to proper health delivery services. By eliminating this program, we are imposing a serious negative impact on an otherwise effective tribal program. NCAI continues to encourage support of the CHR program and funding of at least the current $30 million level. We fully support the recommendations of the National Association of Community Health Representative's request of an increase to $36.3 million allowing for a cost of living increase for Community Health Representatives performing these responsibiliities in our tribal communities.

Facilities Construction:

The Indian Health Services health delivery system includes operation and maintenance of 47 hospitals, 84 health centers, over 300 health stations, warehouses, maintenance shops etc. In FY 84 $10 million will be utilized for correction of backlog of maintenance and repair deficiencies. The Administration has proposed not to appropriate funding for the construction or modernization and repair of Indian Health facilities in FY 85. NCAI supports and requests that funding be allocated according to the priority ranking system developed by I.H.S. for the following projects:

a) Hospitals - For phas II construction and equipment for hospitals at crownpoint, New Mexico ($9,064,000); Kanakanak, Alaska ($5,490,000); Phase 1 construction and purchase and long-lead equipment for hospitals at Rosebud, South Dakota ($9.740,000) and Pine Ridge, South Dakota ($13,214,000); for construction and equipment for the hospital at Sacaton, Arizona ($17,590,000) and for final planning of the hospital at Anchorage, Alaska $3,290,000.

b) Modernization and Repair for miscellaneous alternations and repairs at existing I.H.S facilities ($12,734,000); for special concerns ($4,832,000); and for establishment of a general repair and improvement fund ($1 million).

c) Outpatient Facilities - for construction of clinics at Kyle, South Dakota ($3,760,000); Fort Thompson, South Dakota ($2,960,000); Wolf Point, Montana ($4,0[illegible]0,000) and Wagner, South Dakota; and planning and design of clinics at [illegible], Arizona ($200,000) and St. Regis, New York.

d) Personnel Quarters - for construction of personnel quarters at Crownpoint, New Mexico; Kanakanak, Alaska; Huerfano, New Mexico; Kyle, South Dakota; Ft. Thompson, South Dakota; Wagner, South Dakota; and Wolf Point, Montana; for a total of $11,566,000.

Third Party Reimbursements:

We are concerned with the amount of money that I.H.S. is anticipating collecting from third party reimbursements ($4 million) and ($5[illegible].4 million) from Medicare and Medicaid. As the Administration estimates, it is not realistic that these amounts will be collected. The FY 85 request also proposes to cover a portion of the mandatory cost increases, from collection of reimbursements. The FY 85 request includes a decrease of $4,668,000 for the hospital and health clinic program, also affecting the quality of health care provided.

Indian Health Manpower:

Indian Health Manpower provides resources for training of health professionals and alleviates problems of manpower shortages without continuing provisions for appropriations to support these programs, thus career professions are faced with a shortage in continuing education. With the net decrease of $1,368,000; 63 students will not receive funds to continue in the Indian Health Manpower program. This decrease also eliminates support for the Indians into medicine(INMED) program and the Masters in Public Health program. NCAI opposes any reduction in this needed area. We request that this program be funded at $1.4 million for continuation of Sections 103 and 104 of Title I of the Indian Health Care Improvement Act to provide scholarships for Indian students. We request appropriations of $240,000 and $250,000 for funding of the Indian Health Manpower and Indians into Medicine program allowing for continued provison of these services at the same FY 84 level.

Sanitation:

The I.H.S Sanitation program providing much needed improvement of health conditions in an oftentime hazardous environment has been decreased by $2,521,000 and proposed to offset the program by reimbursements from third-party sources. We are recommending tht the sanitation program by I.H.S. be funded at a minimum of $30 million in FY 85 to provide for existing homes and facilities.

I would now like to address NCAI's concerns in Education.

Forward Funding:

All other Education programs are forward funded except those in U.S. Department of Interior: This places tribal Education programs and tribal contract schools at undue disadvantage in planning their programs. USDI/BIA Education programs need to be forward funded.

Funding for Tribally-Controlled Colleges as Authorized by P.L. 95-471 and P.L. 98-192: Seventeen NCAI member tribes have tribl community on reservation colleges.

NCAI supports the redefinition of the current funding formula which assess federal suport to these colleges on an Indian Student Count (ICS), rather than by the existing full time equivalency (FTE) formula.

The Tribal Colleges are funded in the current fiscal year "84 at $2,535 per FTE.

NCAI supports a supplemental appropriation for FY '84 of $1.1 million to compensate for the current underfunding, a result of inaccurate enrollment projections last year.

The Tribal Colleges themselves project an FY '85 enrollment of 2,800-2,968 FTE's, some 400 over departmental projections. Based on this primary source projection, we urge an appropriation of $9.3 million for FY '85 under Title I.

Two of NCAI member Tribes' colleges received full four year accreditation status in the past year (Sinte Gleska and Oglala Lakota); and two more will be up for consideration this spring (Standing Rock and Salish Kootenai).

These colleges are making an immeasureable contribution toward self-sufficiency and improving and quality of life for their tribal citizens of many ages.

They must not be thwarted in their services and progress by crippling fiscal constraints.

Vocational Education as authorized by P.L. 94-487 and P.L. 95-40:

Eighty-six NCAI member Tribes applied for critically needed monies for vocational training programs: less than one-quarter of the tribal applicants were funded under the 1% set-aside for Indian Tribes of $6 million.

This current funding situation is sorely inadequate. Excluding a small number of more fortunate Tribes, unemployment among NCAI member Tribes ranges from 35% to 78%. Adequate vocational education programs would address this situation.

The Department of Interior has been statutorily mandated since 1978 to match that 1% Indian set-aside provided through the U.S. Department of Education.

The U.S. Department of Interior has continually received an appropriations waiver enabling it to ignore this statutory mandate. Over the past five years we estimate this loss to Indian Tribes at some $35 million.

NCAI urges the members of this committee to seriously consider this need. It would help meet a critical national need.

In addition, while Indians are approximately 1% of the national population, the correlating 1% set-aside does not accurately reflect a recognition of the greater vocational education training needs on Indian reservations. The national tribal need and accompanying unemployment statistics, in many cases eight times higher than the nation's total unemployment average, justifies a substantially higher set-aside. NCAI urges at least a 2% set-aside in vocational education for Indian tribes.

Post-secondary education is one of the most reliable and proven vehicles for Tribes in their efforts to reach goals of self-sufficiency and improving the quality of life for their Indian citizens.

1) Congressionally determined critical disciplines:

NCAI recognizes and reaffirms the national need for Indian professionals in Law, Medicine, Business Administration, Engineering and Forestry.

But we feel that the 1980's has brought us into a new era that must recognize and encompass additional critical need disciplines. Among these are the high technology professions. Math and Science professions were acknowledged by the House of Representatives last year as a critical need, and NCAI agrees that more focus must be placed on bringing more Indians into these as well as other professions as determined by the tribes to meet their changing professional needs at the tribal level.

2) NCAI believes tht the intent and spirit, of federally-supported post-secondary assistance to Indian individuals is to make an impact on improving the quality for as many Indians as possible.

Accordingly, we urge that more assurances must be tied to these individual packages of financial assistnce to ensure that these individuals give a return on the federal financial investment by making some return in service to Indian people. The need for these trained professionals on reservations, in Indian communities, in federal programs serving Indians, and in the national Indian arena is far too great for the national Indian community to suffer the loss of these highly trained Indian individuals to mainstream society.

If stipulations are not tied to appropriations to USDI and USDE Indian post-secondary assistance, than in many instances these dollars may as well have been targeted to direct mainstream education fellowships. It is far too often mainstream American receives the final benefits.

3) There is a demonstrated national recognition of the increasing demand for post-graduate training.

USDI strives to meet this need through its special higher Education grant program. American Indian Scholarships, Inc., the USDI contracting agent for this program, has substantiated an unmet need for some 300 Indian graduate study applicants, at a total of $2.5 million. Through whatever vehicle Indian graduate students' needs are addressed, the nation's increased demands for post-graduate educated professionals affects Indians equally.

The demonstrated need for FY '85 is $2.5 million. NCAI urges maximum appropriation toward meeting that need.

Reprogramming of USDI Education Program:

While USDI has not yet officially presented their Automatic Data Processing (ADP) system plan to this Committee we understand the internal Departmental plan reprograms some $19 million in tribal services $5.898 of which comes from direct Education services in FY '84. Should this proposal become reality NCAI urges this Committee to restore the full loss by supplemental appropriation for the current fiscal year.

Indian School Equalization Programs and Johnson O'Malley should be restored to at least their FY '81 level.

One of NCAI's most critical concerns is the need for the Senate to act expeditiously on the Comprehensive Education amendments this year. Indian Education must not be treated as a partisian issue.

* BEFORE WE BEGIN OUR QUESTIONS, I WOULD LIKE TO ASK THAT YOU SUBMIT THE FOLLOWING MATERIALS TO THE COMMITTEE:

- THE 1980 NATIONAL PLAN FOR THE IMPROVEMENT OF HEALTH CARE TO INDIAN PEOPLE (to which you refer in your testimony)
- THE PRIVATE SECTOR STUDY ON THE USE OF A FISCAL INTERMEDIARY BY IHS (referred to in the IHS Budget Justification Book)
- THE FINAL REPORT OF THE IHS TASK FORCE ON THE REAUTHORIZATION OF THE INDIAN HEALTH CARE IMPROVEMENT ACT

URBAN INDIAN HEALTH CARE PROGRAMS

*1. ONCE AGAIN, IHS IS PROPOSING TO ELIMINATE PROGRAMS THAT PROVIDE HEALTH CARE SERVICES TO URBAN INDIANS.

*- DOES THIS CONTINUING EFFORT TO "ZERO OUT" THE URBAN PROGRAMS REFLECT AN ADMINISTRATION POLICY THAT THERE IS NO FEDERAL RESPONSIBILITY TO PROVIDE HEALTH CARE FOR URBAN INDIANS?

- WHAT IS THE ADMINISTRATION'S POLICY ON HEALTH CARE FOR URBAN INDIANS?

SELF-DETERMINATION - TRIBAL MANAGEMENT PROGRAM

*2. CONSISTENT WITH THE PRESIDENT'S INDIAN POLICY STATEMENT, YOUR PREPARED TESTIMONY STATES THAT IHS WILL CONTINUE TO ASSIST THE TRIBES TO ASSUME THE RESPONSIBILITIES FOR HEALTH SERVICES THROUGH P.L. 93-638 AUTHORITY.

*- SINCE YOU ARE REQUESTING NO FUNDS FOR THE TRIBAL MANAGEMENT PROGRAM -- A PROGRAM THAT IS SET UP SPECIFICALLY TO HELP TRIBES DEVELOP THE CAPACITY TO CONTRACT IHS PROGRAMS -- HOW DO YOU PLAN TO ASSIST THE TRIBES IN ACHIEVING SELF-DETERMINATION?

PREVENTIVE HEALTH

*3. IN YOUR PREPARED STATEMENT YOU INDICATE THAT A PRIMARY FOCUS OF THE IHS IS THE PROVISION OF PREVENTIVE HEALTH SERVICES THROUGH A COMMUNITY-ORIENTED APPROACH.

*- IF PREVENTIVE HEALTH IS YOUR PRIMARY FOCUS, HOW DO YOU JUSTIFY THE LARGE REDUCTIONS ($29.86 MILLION) YOU ARE REQUESTING FOR PREVENTIVE HEALTH PROGRAMS?

[Anticipated Answer: Refocusing resources toward direct patient care]

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PREVENTIVE HEALTH - COMMUNITY HEALTH REPRESENTATIVES (CHRs)

* 4. I FEEL THAT MANY OF THE PREVENTIVE HEALTH ACCOMPLISHMENTS CITED IN YOUR STATEMENT CAN BE DIRECTLY ATTRIBUTED TO THE SUCCESS OF THE CHR PROGRAM. IT IS MY UNDERSTANDING THAT THE CHRs PROVIDE DIRECT PATIENT CARE AS WELL AS COMMUNITY HEALTH EDUCATION.

* - IF YOU ARE TARGETING RESOURCES TOWARD DIRECT PATIENT CARE, AND YOUR FOCUS IN PREVENTIVE HEALTH IS COMMUNITY-ORIENTED, WHY ARE YOU ONCE AGAIN PROPOSING TO ELIMINATE THIS SUCCESSFUL PROGRAM AND THE FUNDING FOR THE INDIAN PEOPLE THAT ARE HELPING YOU TO REALIZE YOUR STATED GOALS?

* - HOW DOES THE ELIMINATION OF THE CHR PROGRAM FURTHER THE PRESIDENT'S POLICY OF INDIAN SELF-DETERMINATION?

HOSPITAL AND CLINIC CONSTRUCTION

* 5. AGAIN THIS YEAR, THERE ARE NO FUNDS REQUESTED FOR THE CONSTRUCTION OF HOSPITALS AND CLINICS.

* - HOW DO YOU PLAN TO COMPLETE CONSTRUCTION ON THOSE HOSPITALS AND/OR CLINICS THAT ARE ALREADY UNDER CONSTRUCTION? DO YOU INTEND TO LEAVE THEM STANDING INDEFINITELY?

- WHAT PLANS DO YOU HAVE FOR HOSPITALS FOR WHICH PLANNING AND DESIGN FUNDS HAVE BEEN RELEASED AND EXPENDED?

- IS THERE AN ADMINISTRATION POLICY CONCERNING THE CONSTRUCTION OF IHS HOSPITALS AND CLINICS?

INDIAN HEALTH MANPOWER

* 6. THE IHS BUDGET REQUEST FAILS TO REQUEST FUNDS FOR THE HEALTH PROFESSIONS RECRUITMENT PROGRAM, THE INMED PROGRAM, AND THE 5 MASTERS IN PUBLIC HEALTH PROGRAMS.

- HOW DOES IHS INTEND TO INCREASE THE NUMBER OF TRAINED INDIAN HEALTH PROFESSIONALS AVAILABLE FOR SERVICE IN THE INDIAN HEALTH SERVICE IN THE ABSENCE OF SUCH PROGRAMS?

* - WHAT ARE YOU DOING TO ASSURE THAT INDIAN PEOPLE ARE RECRUITED FOR SERVICE IN HEALTH PROFESSIONS THIS YEAR AND IN FISCAL YEAR 1985?

- ARE THERE A SUFFICIENT NUMBER OF INDIAN PEOPLE GRADUATING FROM HEALTH PROFESSIONAL SCHOOLS IN FISCAL YEARS 1984 AND 1985 TO FILL ALL VACANT POSITIONS IN IHS?

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INDIAN HEALTH MANPOWER

*7. THE IHS BUDGET JUSTIFICATION STATES THAT 63 STUDENTS WILL NOT BE FUNDED TO CONTINUE IN THE INDIAN HEALTH MANPOWER PROGRAM.

- ARE ANY OF THESE 63 STUDENTS CURRENTLY RECEIVING SCHOLARSHIP ASSISTANCE PARTICIPATING IN THE INMED PROGRAM?

8. ARE THERE SUFFICIENT FUNDS TO CARRY EXISTING STUDENT THROUGH THE END OF MEDICAL SCHOOL? IF NOT, WHY NOT?

*9. DR. STEELE, WHAT IS THE RENTENTION RATE OF INDIAN STUDENTS IN THE INMED PROGRAM AS COMPARED TO MEDICAL SCHOOLS NATIONALLY?

*10. WHAT IS THE IMPACT OF BUY-OUT PROVISIONS AND THE AVAILABILITY OF LOW INTEREST LOANS FOR THAT PURPOSE ON IHS MANPOWER NEEDS?

*11. DR. STEELE, IN YOUR EXPERIENCE, ARE THERE ANY PARTICULAR PROBLEMS ASSOCIATED WITH PROVIDING LOW INTEREST LOANS TO DOCTORS WHO BUY-OUT OF SERVICE PAYBACK OBLIGATIONS ON THE CONDITION THAT THEY WILL SERVE IN MEDICALLY-UNDERSERVED AREAS?

*12. I UNDERSTAND THAT BECAUSE OF FEDERAL AUGMENTATION LAWS, THE SERVICES OF NATIONAL HEALTH SERVICE CORPS PHYSICIANS WILL NOW BE CHARGED TO THE IHS ACCOUNT.

- * IS IHS REQUESTING AN INCREASE TO ASSURE THE CONTINUED SERVICES OF NATIONAL HEALTH SERVICE CORPS PHYSICIANS?
- * WITHOUT AN INCREASE IN THE IHS BUDGET, HOW MANY NHSC DOCTORS WILL THE INDIAN HEALTH SERVICE LOSE?

OPENING OF IHS HOSPITALS TO NON-INDIAN PATIENTS

13. WOULD YOU PLEASE EXPLAIN THE DEPARTMENT'S PROPOSED INITIATIVE TO OPEN IHS HOSPITALS TO NON-INDIANS?

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REFORM 88

14. WHAT IS THE IMPACT OF REFORM 88 ON THE FULL-TIME EQUIVALENT POSITIONS IN THE INDIAN HEALTH SERVICE?

SANITATION CONSTRUCTION

*15. YOU HAVE REQUESTED NO FUNDS FOR THE CONSTRUCTION OF WATER AND SANITATION SYSTEMS.

*- APPROXIMATELY HOW MANY HOMES ARE CURRENTLY LACKING WATER AND SANITATION FACILITIES? [Anticipated Answer: 500]

*- HOW MANY HUD HOMES WILL BE COMPLETED BY THE END OF FISCAL YEAR 1985 FOR WHICH IHS CURRENTLY HAS NO FUNDS TO CONSTRUCT WATER & SANITATION SYSTEMS? [Anticipated Answer: 8100]

*- HOW MANY BIA, TRIBAL & OTHER HOMES WILL BE COMPLETED BY THE END OF FISCAL YEAR 1985 FOR WHICH IHS CURRENTLY HAS NO FUNDS TO CONSTRUCT WATER & SANITATION SYSTEMS? [Anticipated Answer: 2900]

*- WHAT OBSTACLES ARE THERE TO THE TRANSFER OF HUD FUNDS TO IHS FOR THE CONSTRUCTION OF WATER & SANITATION SYSTEMS?

*- WHAT FUNDS DOES IHS HAVE TO CONDUCT PRELIMINARY ENGINEERING TESTS? [Anticipated Answer: None]

MAINTENANCE AND REPAIR

16. HAS IHS CONDUCTED A STUDY OF UNMET NEEDS FOR MAINTENANCE & REPAIR?

- IF YES, PLEASE PROVIDE A COPY OF THE STUDY TO THE COMMITTEE.
- IF NO, UPON WHAT WERE THE FIGURES ON PAGE 44 OF THE BUDGET JUSTIFICATION BASED?

17. WHAT IS THE ANNUAL INCREMENT OF MAINTENANCE & REPAIR BACKLOG CREATED EACH YEAR?

- WILL THE $8.7 MILLION YOU HAVE REQUESTED FOR FISCAL YEAR 1985 PUT IHS FARTHER AHEAD OR BEHIND THE ANNUAL INCREMENT?

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MEDICARE & MEDICAID COLLECTIONS

*18. IF THE MEDICARE & MEDICAID COLLECTIONS PROJECTED FOR FISCAL YEAR 1985 ARE NOT FORTHCOMING, HOW DOES IHS PROPOSE TO FUND MANDATORY INCREASES?

- PLEASE EXPLAIN THE STATEMENT ON PAGE 46 OF THE BUDGET JUSTIFICATION WHICH STATES, "OF THE $55.4 MILLION ANTICIPATED TO BE COLLECTED IN FISCAL YEAR 1985, $15.4 MILLION IN ESTIMATED COLLECTIONS WILL BE DIVERTED TO FUND CONTINUED PROVISION OF CURRENT SERVICES."

  [Medicaid & Medicare collections are to be used only for the purpose of attaining and maintaining accreditation of IHS hospitals & clinics by the Joint Commission on Accreditation of Hospitals — a statutory mandate of the Indian Health Care Improvement Act]

- PLEASE PROVIDE THE COMMITTEE WITH DATA THAT INDICATES HOW MEDICAID & MEDICARE COLLECTIONS WERE EXPENDED IN FISCAL YEAR 1983.

INDIAN HEALTH MANPOWER

[To Accompany National Health Service Corps questions]

- APPROXIMATELY HOW LONG WILL IT TAKE IHS TO ASSURE THAT THERE IS SUFFICIENT FUNDING FOR TRIBALLY-OPERATED CLINICS TO CONTINUE THE SERVICES OF NATIONAL HEALTH SERVICE CORPS PHYSICIANS?

URBAN HEALTH

- IN FISCAL YEAR 1984, AN ADDITIONAL $1 MILLION WAS APPROPRIATED TO THE URBAN HEALTH BUDGET ACTIVITY. CAN YOU TELL THE COMMITTEE WHETHER THAT MONEY HAS BEEN ALLOCATED TO THE URBAN PROGRAMS, AND IF IT HAS NOT, WHAT PLANS IHS HAS FOR ITS DISTRIBUTION?
- DOES THE DEPARTMENT PLAN TO REQUEST A RECISSION OR DEFERRAL OF THOSE FUNDS?

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Mr. **Alexander**. Are these the amendments that are being considered on the House side?

Ms. **Kelley**. Right.

Mr. **Alexander**. We have been joined by Mr. Tony Secatero. Your colleague, Mr. LaPointe, has summarized some of the organization's concerns. Would you like to add anything at this time?

STATEMENT OF TONY SECATERO, PRESIDENT, CANONCITO BAND OF NAVAJOS, FOR THE NATIONAL INDIAN HEALTH BOARD, ALBUQUERQUE, NM

Mr. **Secatero**. First of all, my name is Tony Secatero, and I am president of the Canoncito Band of Navajos.

With the joint testimony of the National Congress of American Indians and the National Indian Health Board, we appreciate the opportunity to express our concerns before this committee.

Our extreme concerns are in specific areas of the Indian Health Service and the administration's proposals as far as the budget for 1985 is concerned.

We are concerned about the clinical services, the third party reimbursement, manpower program, the emergency medical service program, the tribal management programs, facility construction and sanitation facilities, and most of all, probably, the community health representatives program.

There are a wide range of services that are desperately needed in Indian community, and we represent over 450 Indian tribes, and also urban Indians. Fifty-one percent of them are residing in the urban areas.

I think the committee is pretty well familiar with the past testimonials and some testimonies that were provided by individual tribes with specific needs.

We have our testimony which pretty well outlines the specific areas and justifications and dollar amounts that are requested in addition to the level of funding in the previous year. I know there are several areas that have been zeroed out, but we are requesting this committee to reinstate those areas because of extreme concern, and we do have justification that those services are being rendered in each of the urban and reservation areas.

I, myself, am a real Indian. I live on a reservation, so I know the system. We would appreciate the committee's doing whatever it can to support our position.

Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF THE NATIONAL INDIAN HEALTH BOARD, INC., SUBMITTED BY TONY SECATERO, PRESIDENT, CANONCITO BAND OF NAVAJOS

On behalf of the membership of the National Indian Health Board and the National Congress of American Indians, I wish to express my appreciation to the Committee for this opportunity to present our concerns with the Administration's proposed FY 1985 budget for the Indian Health Service.

Our testimony will address what we feel are several fundamental weaknesses with the Administration's proposal. First, however, we wish to express our concern with the overall trend of health care for Indian people in recent years. Each year from 1979 through 1983 (the last year complete figures were available), in spite of apparent increases, IHS appropriations actually decreased and the agency's capability to deliver quality health care has declined substantially. This information is according to figures supplied by the Health Services and Resources Administration for the FY 1984 budget hearings, which take into account health care cost inflation and adjust dollar amounts to remain in constant 1974 dollars.

The FY 1985 budget submission proves no exception to this disappointing trend. While health care costs continue to escalate (a health care inflation rate of 10-15 percent is projected for this year), the administration is suggesting an IHS Health Services budget totalling over $35 million less than in FY 1984.

THIRD PARTY REIMBURSEMENTS

An alarming aspect of the President's budget is that it counts upon some $65 million in Medicare, Medicaid, and other third party reimbursements. We understand that at best IHS expects to collect $30-$32 million in third party reimbursements in FY 1984, not $48 million as the Administration estimates in its justification. Expectations that this amount could be increased by $30-$35 million next year are clearly unrealistic.

As the Administration's budget justification explains, last October IHS began collecting reimbursements from Medicare under the Prospective Payment System. "There is not sufficient data to fully assess the impact and effect of this new methodology. *However, from initial data, it would appear that there may be as much as a ten per cent reduction in the collections," (emphasis added), states the justification.*

It is also a poor time to look to increased Medicaid collections. Again, citing the Administration's own justification: "It is assumed that the states will be doing as much as possible to reduce the costs of their individual Medicaid programs . . . This will affect the amount of collections that IHS can recover from the various state programs."

Aside from these issues, such a proposal to offset appropriations with Medicare and Medicaid reimbursements reflects a disregard for the original intent of these funds. As specified in the authorization for these collections, these reimbursements are dedicated to maintaining the quality of IHS facilities and services at accreditable levels. If the proposed offset were implemented, an immediate reduction in services would result. Consequently, facilities accreditation, and thus the future receipt of these funds, would be jeopardized.

The budget again this year as last assumes collections from third parties, insurance companies in particular. The policy of not seeking reimbursements from other third party payors has been tied to a fundamental tenet of Indian health services policy: that health care is offered to Indian people as part of the Federal government's trust responsibilities. It would require major legislation to change the traditional arrangement of service availability to all eligible Indians. Nonetheless, during FY 1984, the IHS began billing for services provided in IHS facilities to Indian patients who have private insurance. At present, reports IHS, "it is unclear whether insurance companies will pay any of the claims submitted."

CLINICAL SERVICES

Assuming a health care inflation rate in the 10 to 15 per cent range this year, a $50-$75 million increase in clinical services is necessary for IHS to simply provide an equivalent level of health services next year. In this category, the Administration is suggesting an increase of only $19.5 million.

To make matters worse, the Administration's clinical services budget depends heavily on projected third party reimbursements. Nearly $65 million in projected reimbursements is assumed for use in the hospitals and clinics line item alone. Based on an inadequate overall IHS budget request and the inaccurate assumptions pertaining to reimbursements described above, we believe there would be significant reductions in health services to Indian people under this request. Our concern is grave in that progress being made this year with the aid of a congressional "add-on" would be jeopardized, returning Indian health care to its status of a year ago. At that time, IHS suffered critical staffing shortages, unpurchased and/or unavailable equipment, and dangerously low supply levels.

We urge the Committee to continue its efforts to address the tremendous unmet health care needs of Indian people and to fulfill the intent of the Indian Health Care Improvement Act by providing the resources necessary to deliver quality care to all Native Americans.

EMERGENCY MEDICAL SERVICES

The need for an effective emergency medical response and transport service is especially acute within the Indian Health program due to the high incidence of trauma and other emergent situations and the isolated wilderness and rural settings within which the program is carried out.

Tribal governments and national Indian organizations including our own have consistently given the highest priority to improvement of emergency medical care as it is our firm belief that a relatively small investment of funds in this area could result in both a reduction in the severity of morbidity for certain accident victims and the severely ill as well as the saving of many lives that would otherwise be lost.

The unmet need at this time for an effective EMS program remains at $10 million. We appeal to you to favorably consider appropriation and/or identification of $10 million recurring and $1 million non-recurring funding for the emergency medical services program.

COMMUNITY HEALTH REPRESENTATIVES

The Community Health Representatives continue to be an integral part of the tribal health care delivery system. The Administration is, for the fourth year in a row, seeking elimination of the program, as part of an effort to focus IHS budgetary resources on "maintaining key inpatient and outpatient medical care resources." At the same time, the IHS medical community has insisted that the program is irreplaceable in their own efforts. Last year, IHS' National Council of Clinical Directors (composed of all IHS physicians) made a plea to the director of IHS that "closure of the Community Health Representative Program would have a severe negative impact on our ability to provide a comprehensive health program for the Indian people."

They cited the following ways in which the CHRs' work complements the Indian Health Service program: CHRs work at the home level with Indian people and provide direct health care; CHRs provide culturally-oriented health education and strongly supplement IHS' preventative health programs; CHRs assist health providers in gaining access to patients in remote locations and facilitate accessibility of Indian Health Service facilities to the Indian patient.

In allocating CHR funds in Fiscal Year 1984, the appropriations committees demanded continued review and evaluation of the program. Currently under development are: guidelines on scope of work for contracts defining specific health care delivery areas, functions and settings; a methodology for measurement of CHR project effectiveness (in terms of cost and quality of health care activities delivered), and a revised resource allocation process. If accepted by IHS management, staff estimate that all of the above could be ready for implementation at the start of Fiscal Year 1985. To address past criticism that the CHR program has not been fully accountable, we join the National Association of Community Health Representatives in asking that IHS be mandated to develop and employ a uniform mandatory reporting system for all tribal CHR programs.

The CHR program is operating with total appropriations of $30 million for FY 1984. $26 million was included within the program's line item and an additional $4 million, which finances the Emergency Medical Services portion of CHR activities, was directed from IHS' hospital and clinics budget.

We urge continued funding of the CHR program of at least the current $30 million level and indeed encourage the Committee to consider the National Association of Community Health Representatives' request of an increase to $36.3 million which would allow a modest cost of living increase for these dedicated community health workers for the first time in five years. We also support the CHR Association in its request for additional funds to provide training specific to tribal needs. For the past several years, inadequate funding has prevented CHRs desiring to upgrade their skills (beyond basic training) from doing so.

INDIAN HEALTH MANPOWER

IHS continues to suffer from a critical shortage of health professionals, and we therefore oppose the Administration's proposed reduction in the Indian Health Manpower program. The IHS budget justification provides no explanation of why the program is being phased out, nor does it offer information as to available alternative sources of scholarship assistance.

Under the Indian Health Manpower scholarship program, we have seen significant improvements in the number of Indian health professionals serving our people. We believe this program is the most reliable source of future Indian health professionals and the best way to protect against manpower shortages in the years to come. We therefore ask this Committee to restore the $1.4 million in funding the Administration has proposed to eliminate in FY 1985 so that new scholarships will be available for Indian students under sections 103 and 104 of Title I of the Indian Health Care Improvement Act.

We also urge the Committee to continue the section 102 recruitment programs, particularly the Indians Into Medicine and Master of Public Health programs.

Appropriations of $240,000 and $250,000 for the MPH and INMED programs, respectively, would allow continued provision of their valuable services at roughly the same level next year.

TRIBAL MANAGEMENT

Since nearly all tribes who wish to manage part or all of IHS operated health programs need preparatory development of their management capacity, P.L. 93-638, primarily under section 104(b) grants, provides the legal authority, and tribal management funds provide the resources to support such activities.

There has been no increase in this activity for three years, while the need for development, training, and improvement of management systems in concert with increasing levels of tribal contracting have not diminished.

We oppose the recommended elimination of the tribal management program. We would instead ask that the $2.6 million provided in FY 1984 be expanded to $8 million in order to realistically finance new initiatives and their indirect costs. (There is also a need for continued financing of indirect costs. Currently no such funding exists.)

URBAN INDIAN HEALTH

As reflected by the 1980 Census, approximately 50 per cent of the American Indian population reside in off-reservation areas. In establishing Title V of the Indian Health Care Improvement Act, Congress recognized that urban Indians experience a disproportionate problem of access to health services and that their health needs were not being met by other resources.

Some 37 programs are funded under the urban Indian health activity, the majority of which provide direct health services. The FY 1985 budget request proposes elimination of the urban health program under the assumption that non-reservation Indians will be eligible for services funded with alternative resources, such as block grants to states and other state and local funding for health services. As testimony last year by urban Indian health directors clearly demonstrated, this has not been the case.

In its justification for next year's budget, the Administration states that "The overriding commitment . . . is the continued provision of high quality health care to American Indians and Alaska Natives in the most cost-effective manner." The urban health program's use of its $9 million appropriation (along with what other resources have been secured) to serve an estimated 300,000 population makes it one of the most cost-effective health care delivery mechanisms within IHS.

Included in the $9 million appropriation for urban Indian health this year was a $1 million increase from the FY 1983 level of funding To date, IHS has not passed this increase along to the urban programs nor provided an explanation for its failure to do so. We join the American Indian Health Care Association in demanding that these funds be immediately released. We further support their requests for: adoption by IHS of a common reporting system for the urban projects in order that a health information base may be built for this population; and establishment of an Office of Urban Indian Health within IHS headquarters.

We support the urban Indian health projects in their request for $12 million to allow program continuation in FY 1985.

CONSTRUCTION

Facilities construction.—We are deeply concerned about this Administration's continued disregard for the planning, construction and maintenance of Indian health facilities. In addition to its failure once again to request IHS construction funds in FY 1985 the Administration is proposing to transfer the "Indian Health Facilities" program to the "Health Services" budget. We believe that such a move would cause the IHS construction program to lose its separate identity, and could make future IHS construction appropriations more vulnerable to the Administration's manipulation—such as unwarranted delays in the release of funds and "reprogramming" requests—that we have witnessed in recent years. We oppose the transfer and request that this committee support continuation of a separate budget authority for IHS construction activities.

At the behest of Congress, IHS has developed a construction priority system for hospitals, outpatient clinics and modernization/repair that ranks facilities according to the unmet health needs of the Indian population. This ranking has provided Congress with an objective, rational approach to the construction of health facilities on Indian reservations. We deeply appreciate this committee's past efforts to adhere to the priority ranking system and we respectfully request that funding be allocated in accordance with this list in FY 1985 for the following projects:

(*a*) Hospitals.—For Phase II construction and equipment for the hospitals at Crownpoint, N.M. ($9,064,000) and Kanakanak AK ($5,490,000); for Phase I construction and purchase and long-lead equipment for hospitals at Rosebud, S.D. ($9,740,000) and Pine Ridge, S.D. ($13,214,000); for construction and equipment for the hospital at Sacaton, Ariz. ($17,590,000); and for final planning of the hospital at Anchorage, Ak ($3,240,000).

(*b.*) Modernization and Repair—For miscellaneous alterations and repairs at existing IHS facilities ($12,734,000); for special concerns ($4,832,000); and for establishment of a general repair and improvement fund ($1 million).

(*c.*) Outpatient Facilities—For construction of clinics at Kyle, S.D. ($3,760,000), Ft. Thompson, S.D. ($2,960,000), Wolf Point, Mt. ($4,030,000), and Wagner, S.D.; and planning and design of clinics at Parker, Ariz. ($200,000) and St. Regis, N.Y.

(*d.*) Personnel Quarters—For construction of personnel quarters at Crownpoint, N.M., Kanakanak, AK, Huerfano, N.M., Kyle, S.D., Ft. Thompson, S.D., Wagner, S.D., and Wolf Point, Mt., a total of $11,566,000.

Sanitation facilities.—Much of the improvement in Indian health care over the past 20 years is a direct result of the IHS sanitation program which provides water supply, sewage disposal, and solid waste disposal for Indian homes and communities. Despite this program's success nearly 22,000 Indian homes lack adequate water and sewage facilities and Indian families, as a result, are exposed to sanitary and environmental health hazards. In order to begin addressing this tremendous unmet need, which totals $489 million we ask that a minimum of $30 million be provided in FY 1985 for sanitation facilities in existing Indian homes and facilities. In addition we anticipate that approximately 3,000 new non-HUD Indian homes will need water and sewer hookups in FY 1985, and we estimate that approximately $24 million will be needed to provide these facilities. Finally, we wish to express our concern with the existing interagency agreement between HUD and IHS for the funding of sanitation facilities in new HUD homes built on Indian reservations. The arrangement, which provides for the transfer of sanitation funds from HUD to IHS, is cumbersome and inappropriate. We ask that the committee continue to monitor this situation in order to insure that these monies are indeed transferred and that new HUD Indian homes are properly provided with water and sewer facilities.

This completes the testimony submitted by the National Indian Health Board and the National Congress of American Indians. We greatly appreciate this opportunity and stand ready to assist this committee in any way possible to implement the recommendations made in our testimony.

Mr. **Alexander**. Your full statement will appear in the record as if given.

I understand that your organizations, will be testifying next Wednesday on the reauthorization of the Indian Health Care Improvement Act, and we will get into the legislative proposals at that time and have an opportunity to discuss this more.

We have been joined by the distinguished executive director of the National Tribal Chairmen's Association, Mr. Elmer Savilla. Elmer, would you like to summarize your statement for the record, please?

STATEMENT OF ELMER SAVILLA, EXECUTIVE DIRECTOR, NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

Mr. **Savilla**. I have to apologize for my late appearance. I did not have the hearing on my schedule and I was doing something else.

But I do apologize, and we would want to submit our written statement for the record later in the day to your offices.

Mr. **Alexander**. Fine.

Mr. **Savilla.** I would summarize my statement by saying that the Indian Health Service budget for fiscal year 1985 is one that we do not think we can live with as it is. The portions that the tribes have worked on for several years to build up programs, such as the community health representative program, deserve much better treatment than they are getting.

We think that there is an inordinate amount of time taken from the time of appropriations approval up until the time the allocations get out to the area offices, creating a tremendous problem to the local service units and the tribes in the operation of their programs.

On top of that, the contract support funds that the tribes get to operate their contracts are further damaging their operational ability because of that failure to get the program accounts out.

We have complained in the past 2 years to your office and to the Indian Health Service about the need for administrative improvements, mostly to no avail, so we would like to suggest to this committee that in the very near future we could be able to talk either through the hearing process or more directly to the office on ways to improve that delivery of services, because that is what it is all about—delivery of services.

We have seen a recent announcement of reorganization. We think this is a musical chairs operation which uses up time and money, mostly money, and as that is part of the budget amount that is being spent for this, we think that the tribes need to be, as we have insisted all along, directly involved in that reorganization.

The bottom line, of course, what suffers, is the amount that is left over for programs, because we have seen, especially in this past year, shortages that developed midyear. By last July there were shortages in many programs which were caused not because of insufficient appropriation but because the money was used somewhere else.

I will bring to your attention the health equity fund which was seriously mismanaged. Tribes geared up for a certain amount of money based on a healthy equity fund distribution which never came about. There were terrible administrative mixups there.

So to this hearing, that is what I would recommend—that there be a more direct look at the problems. Organizations such as the National Indian Health Board were testifying that they have more a feel of the pulse of the program problems, whereas the upper administrative matters, I think, have not gotten enough attention from the whole range of people that are involved in health care, ourselves included, and we think it is time that all of us take care of that inequity.

Thank you.

Mr. **Alexander.** Thank you.

The National Tribal Chairmen's Association is also an invited witness to the hearing next Wednesday, the 29th of February, on the reauthorization of the Indian Health Care Improvement Act.

We expect that we will get into some of these issues next week in quite a bit of detail. We look forward to seeing you all then.

We are adjourned.

[Whereupon, at 1:35 p.m., the hearing was adjourned.

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED
STATEMENT ON BEHALF OF
THE BRISTOL BAY AREA HEALTH CORPORATION
BY
ROBERT CLARK, EXECUTIVE DIRECTOR
BEFORE
THE SUBCOMMITTEE ON INTERIOR & RELATED AGENCIES
OF
THE HOUSE APPROPRIATIONS COMMITTEE
February 21, 1984

Mr. Chairman, my name is Robert Clark. I am Executive Director of the Bristol Bay Area Health Corporation which operates the hospital at Kanakanak, Alaska, under contract with the Indian Health Service pursuant to Public Law 93-638. As your Committee has recognized, there is an urgent need for a new hospital at Kanakanak. We appreciate your successful effort to include $9,665,000 for the first phase of the new Kanakanak hospital in the Fiscal Year 1984 appropriation which was enacted on November 4, 1983. We are hopeful that the first phase of the project will be under construction in the near future.

Last May the Indian Health Service estimated the total cost of the project at $17,041,000. On behalf of the Bristol Bay Area Health Corporation, we request that you include the additional funds needed for the completion of the hospital in F.Y. 1985. We understand that the balance of the project cost ($7,376,000) may require adjustment for cost increases due to the postponement of completion of the second phase to F.Y. 1985.

We also request that you review with the Indian Health Service the requirements for staff housing and ensure that sufficient funds for this purpose are included in the appropriation for F.Y. 1985. We understand that the IHS estimate of this cost is $5.54 million.

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There are a number of other aspects in the Indian Health Service budget which are of vital concern to the Alaska Natives of the Bristol Bay Region. The reduction in the appropriation for Maintenance and Repair of IHS facilities to $9.5 million is unjustified in view of the backlog of $65.6 million. The proposed abolition of the Community Health Representative program will drastically cur[illegible] our ability to provide preventive health care in the B[illegible] Bay region. Finally, we continue to oppose the diversio[illegible]15.4 million of Medicaid/Medicare reimbursements from the pu[illegible] authorized by Public Law 94-437.

We wish to express our continuing concern at the failure of the Indian Health Service to make adequate provision for the high cost of health delivery systems in rural Alaska. We have been assured by the Indian Health Service that it plans to respond to our criticisms of the existing "equity" ranking system, but we have not as yet received the promised explanations nor any information on the equity distributions which are to be made in F.Y. 1984.

We have also requested copies of the reports made to your Committee by Indian Health Service on the matters identified on pages 21 - 24 of the Indian Health Service Appropriation Estimates. As the Indian Health Service has declined to make this information available, we respectfully request that you authorize the Indian Health Service to release these reports to us. As an Indian tribal organization we feel that we should be able to review and comment on proposals made by the Indian Health Service to Congress on programs which benefit us.

Thank you for your continued interest in and assistance to the Alaska Native people of the Bristol Bay region.

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United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
ROCKY BOY'S AGENCY
BOX ELDER, MONTANA 59521

IN REPLY REFER TO:
Administration

February 6, 1984

John Windy Boy, Chairman
Chippewa Cree Business Committee
Rocky Boy Route, Box 544
Box Elder, Montana 59521

Chairman Windy Boy:

The Rocky Boy's Agency P.L. 93-638 Review Committee met on 2/2/84 to discuss the Chippewa Cree Tribal request to re-contract the Tribal Lease Compliance Program. In attendance were James Monteau, Donna St. Pierre and James Montes; Committee Members. Also in attendance were Albert St. Pierre, Jr., Range Technician and Larry Travis, Soil Conservationist.

Recommendations:

1. The Tribe should specify what Lease Compliance activities the Tribe wants to contract for and be responsible for and specify what lease compliance activities the Tribe feels the Bureau should be responsible for, if any.
2. There should be a new or amended resolution submitted by the Tribe addressing the components as outlined in 25 CFR Part 271.18 and showing that the Tribe concurs with the request to re-contract.
3. Resolution No. 33-83 adopted by the Business Committee on April 12, 1983 to re-contract Lease Compliance does not spell out who has the authority to sign official documents.

Agency 638 Committee is available at any time to provide technical assistance in recontracting Lease Compliance.

As you are aware that Area Office informed me that FY-84 will probably be the last year we will receive funds for contracting. If the Tribe does not contract and the Agency hires a permanent full-time Lease Compliance person we are assure of receiving funds hereafter. The estimate funding amount for FY-84 is $17,000.00

Sincerely,

Superintendent

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United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
ROCKY BOY'S AGENCY
BOX ELDER, MONTANA 59521

IN REPLY REFER TO:
Administration

February 6, 1984

Mr. John Windy Boy, Chairman
Chippewa Cree Business Committee
Rocky Boy Route, Box 544
Box Elder, Montana 59521

Chairman Windy Boy:

We are in receipt of Resolution No. 8-84 adopted by the Business Committee on January 27, 1984 and received at the Agency on January 27, 1934.

This resolution request to contract the Agency Realty Program.

After reviewing the resolution and attached statement for completeness, we find that we cannot determine what the Tribe desires to contract. Please refer to CFR 25 Part 271.14 for contents of contract application, Part 271.18 for Tribal request for initial contract, Part 271.32 and 271.33 for additional requirements for Trust Program and 271.34. The Agency 638 Committee is available at anytime to provide technical assistance. Please provide the additional information at your convenience.

Sincerely,

Superintendent

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Fort Belknap Community Council

(406) 353-2205
P.O. Box 249
Fort Belknap Agency
Harlem, Montana 59526

Fort Belknap Indian Community
(Tribal Govt.)
Fort Belknap Indian Community
[illegible]

February 17, 1984
DATE

MILK RIVER IRRIGATION PROJECT
FORT BELKNAP INDIAN RESERVATION - MONTANA.

The Fort Belknap Indian Reservation was formally established by the Act of May 1, 1888 which ratified the Agreement of 1887. As a part of the Agreement, funds were to be expended for the purchase of livestock and agricultural equipment and to "promote the civilization, comfort and improvement of the Indians of Fort Belknap."

As a part of this program, in 1889 the Agent and his employees installed pumps, ditches and a lift device to divert 1,000 miners inches of the Milk River Water for use at the Agency and for the irrigation of adjacent lands. In July of 1889, the Agent and his employees diverted an additional 10,000 miners inches from the Milk River by means of a canal. In 1898 a dam was constructed on the Milk River near the Fort Belknap Agency to divert water into the canal. This dam was repaired continuously until 1982 when it was replaced with a new concrete dam at the cost of $1,412,450.00.

Construction of the Three Mile Unit began in 1903 and was completed in 1905. The White Bear Unit was begun in 1905. This unit was improved from a spring run-off and water flow system to a controlled delivery system utilizing water diverted from the Milk River at the Fort Belknap Agency and delivered through the Project canals a total distance of approximately 25 miles to the extreme end of the Project area.

The Milk River Irrigation Project - Fort Belknap Indian Reservation serves an area of 21,351.62 acres, divided into three integrated units.

MILK RIVER UNIT: 14,873.81 ACRES
THREE MILE UNIT: 1,157.65 ACRES
WHITE BEAR UNIT: 5,320.16 ACRES
21,351.62

Of the total 21,351.62 acres; 10,474.0 acres are currently assessable for Operation and Maintenance charges, 2,846.0 acres are classified as temporarily non-assessable and 8,031.62 acres are classified as non-assessable under the original design.

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The Irrigation Project is served by waters of the Milk River and it's tributaries with a priority date of 1888 as established in the "Winters Decision" by the Supreme Court in 1908 (207 US 564). This "Winter Right" to the first 125 cfs of natural flow during low flow periods is supplemented with a storage right in the Fresno Reservoir. In addition, the Three Mile Creek drainage of 27 square miles with an average annual streamflow of 810 acre-feet and a maximum flow of 5,760 cfs during spring-run-off may be stored in the Three Mile Reservoir. The White Bear Creek drainage of 154 square miles contributes an average annual streamflow of 4,620 acre-feet with a maximum flow of 12,800 cfs during spring run-off, which unfortunately is lost due to no storage facilities for use during the dryer season. The Milk River drainage area above Fort Belknap is estimated to be 9,822 square miles. The average annual flow in the period from 1960 to 1969 was 215,000 acre-feet. A maximum flow of 174,700 acre-feet occurred in April, 1965 with 6,600 cfs recorded on April 10, 1965. The minimum recorded flow was 6.4 cfs on April 3, 1961. The Milk River normally has considerable fluctuations in flow and is regulated above Fort Belknap Agency by the Fresno Reservoir.

By reference thereto, the following documents are made a part of this testimony:

1. Plan for completion of the Fort Belknap Irrigation Project - January 1967 - revised August 1968 - Prepared by the Bureau of Indian Affairs.

2. Irrigation System Inventory - Fort Belknap Indian Reservation - Montana - Milk River, White Bear & Three Mile Units - January 1976 prepared by: Morrison-Maierle, Inc., 910 Helena Ave., Helena, MT 59601 for the Bureau of Indian Affairs.

The first specific appropriation for the Fort Belknap Irrigation Project appears in the Act of April 30, 1906 (35 Stat. 70). Appropriations for the completion, extension, operation, and maintenance of the Irrigatin Project were made annually thereafter, with the exception of 1926. To date, February, 1984, the Milk River Irrigation Project remains substantially incomplete and inoperable.

According to House Docket (H.D.) 501 - Fort Belknap Irrigation Project, the cost to June 30, 1932 were $365,661.19 of which $107,759.78 were Tribal Funds leaving balance of $257,901.41 Federal Fund's expended. As of June 30, 1932, approximately 29% of the construction costs were possibly misapplied Fort Belknap Tribal Funds. Even with this substantial questionable use of Tribal Funds, this Project remains incomplete.

In 1982, the water users (Landowners & Lessees) within the Milk River Project were subjected to an O & M increase from $2.65 per acre to $6.25 per acre, an increase of 236% in one year. The efficiency of the Project remained the same, very poor; therefore lands that had been previously leased or utilized at the $2.65 rate became idle at the $6.25 rate. As more lands become idle, the costs of operation and maintenance increases the burden on the remaining productive lands. Without the completion of the project and rehabilitation of the existing project works, more and more lands will become idle. Therefore it is imperative that the Milk River Irrigation Project be completed and all existing facilities be rehabilitated to serve all of the lands adequately and timely.

All of the lands served by the Project are subject to a "Construction Lien". In addition, all lands within the Project that are assessable for O & M are subject to a lien in the event the O & M charges are not paid. With the accumulation of

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construction charges and unpaid operation and maintenance charges, many tracts of lands which are not adequately and timely served by the Irrigation System are faced with a lien that is more than the lands are valued for on a sale.

When the Milk River Irrigation Project was designed in the early 1900's, the Fort Belknap Indian Reservation was totally Tribally owned and individual members of the Gros Ventre and Assiniboine Tribes were not individually responsible for any charges associated with the Project. When the Fort Belknap Indian Reservation was sub-divided into individual allotments pursuant to the Fort Belknap Allotment Act of March 3, 1921 (41 Stat. 1355), some 200 individual allotments, normally 40 acres, were selected within the Milk River Irrigation Project. The allotment Act states in Sec. 6:"PROVIDED HOWEVER, THAT IN NO CASE SHALL ANY ALLOTTEE BE REQUIRED TO PAY EITHER CONSTRUCTION, OPERATION, OR MAINTENANCE CHARGES FOR SUCH IRRIGATION PRIVILEGES OR ANY OF THEM, UNTIL WATER HAS BEEN ACTUALLY DELIVERED TO HIS ALLOTMENT." A vicious cycle develops as the Irrigation Project continues to deteriorate and no funds are provided for completion because the number of acres to which irrigation water is delivered to decreases and the costs of operation and maintenance increases for those lands that water is delivered to.

The greatest fear of the Individual Landowners, Lessees, and the Fort Belknap Community Council is one of abandonment by the United States Government in their responsibility toward completion of the Milk River Irrigation Project. The 1966 Plan for Completion recommendations on page 374 propose transfer of the operation and maintenance of the project works to a water users organization. Several Federal Irrigation Projects on Fort Belknap have been transferred to the individual landowners within these projects. None of these projects were in operable condition at the time of transfer and remain inoperable to this date. The loss of income to the individual landowners is substantial due to the lack of sufficient irrigation waters delivered in a timely manner.

Many individual landowners are being forced to utilize the options of 55 BIAM Supplement No. 2 for interim classification because of inability of the project to deliver water or the land cannot make beneficial use of the water due to being water logged, saline or alkaline because of inadequate drainage facilities.

Several water users (landowers and/or lessees) are looking toward alternative irrigation practices. Examples of these alternative are:

A. Pumping directly from the Milk River and not depend upon the delivery system of the Fort Belknap Irrigation System. Economics of agriculture demand that water be available in sufficient quantity when required by the crops.

B. Sprinkler systems that derive their water from drainage canals rather than the irrigation canals because the water is not available when required. The quality of this water source is questionable but is necessary if a crop is to be grown.

In closing, we cannot emphasize to strongly the dependence the livestock industry on Fort Belknap places on the hay and small grains produced in the Milk River Irrigation Project. The total value of all agricultural related products produced annually on the Fort Belknap Indian Reservation amounts to $15,[illegible] broken down as follows:

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Small Grains	$4,817,988.00 - 32%
Livestock	$9,098,193.00 - 60%
Forage (hay)	$ 714,425.00 - 5%
Grazing	$ 432,516.00 - 3%

At the present time, there are 9,390 head of livestock pastured for six months on the Reservation. There are 5,605 (60%) head of Indian-owned livestock and 3,785 (40%) head of non-Indian-owned livestock. As Indian-owned livestock increases, the demand for winter feed (hay and small-grains) increases proportionately, therefore, it is imperative to complete the Milk River Irrigation Project on Fort Belknap to furnish a reliable source of winter feed for the livestock owned by the Indians of Fort Belknap.

On January 20, 1984, Mr. Boyd Johnson, Agriculture Engineer, Billings Area Office, Bureau of Indian Affairs estimated the construction costs for the completion and rehabilitation of the Milk River Irrigation Project (copy attached):

Construction $624,769 (1975 costs) x 1.7 = $1,062,107.30 (1983 costs)
Rehabiliation $761,550 (1975 costs) x 1.7 = $1,294,635.00 (1983 costs)
Engineering &
Planning $156,310 (1975 costs) x 1.7 = $2,622,588.30 (1983 costs)

The Fort Belknap Indian Community Council, the governing body of the Fort Belknap Indian Reservation urges the appropriation of $2,622,588.30 plus necessary inflation increases by Congress for the long over-due completion and rehabilitation of the Milk River Irrigation Project - Fort Belknap Indian Reservation - Montana to satisfy the promises of the Unites States Government to the Assiniboine and Gros Ventre Indians of Fort Belknap Indians of Fort Belknap in 1888.

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PREPARED STATEMENT OF THE INDIAN AND NATIVE AMERICAN EMPLOYMENT COALITION PRESENTED BY LONNIE RACEHORSE, EXECUTIVE DIRECTOR, IDAHO INTER-TRIBAL POLICY BOARD, FORT HALL, IDAHO

Thank you for the opportunity to testify before the Committee concerning the Fiscal Year 1985 Department of Labor budget for employment and training programs serving Indian and Native American workers.

Special programs to serve our people are authorized as national programs under Title IV of the Job Training Partnership Act. A total of 194 Indian tribal governments, inter-tribal consortia, native Alaskan groups, off-reservation Indian organizations and one native Hawaiian group are currently funded under Title IV to provide employment and training services to Indian and Native American workers throughout the country. In addition, tribal governments, inter-tribal consortia, native Alaskan groups and the native Hawaiian grantee receive Summer Youth Employment and Training Program funds under Title II-B.

The President's FY 1985 budget request would continue the FY 84 funding level for Indian programs under both Title IV and the Summer Youth authorizations. Indian Title IV programs receive $62.2 million, while Indian Summer Youth activities receive $13.2 million.

While we have seen unemployment rise sharply in Indian communities, funding to meet our needs has fallen precipitiously, down to nearly the level it was ten years ago -- without any adjustment for inflation.

The only recent official figures on Indian unemployment come from an annual survey of reservation conditions made by

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the Bureau of Indian Affairs. The 1983 report shows that just over half -- 51% -- of the Indian reservation labor force is out of work. This is up from 46% the year before. Eleven reservation areas with populations over 500 were reported in 1983 to have unemployment rates of 80% or higher.

Resources to meet these staggering levels of joblessness have nearly vanished. The cut in Indian JTPA funds in FY 84 came on top of huge cuts over the previous several years. When Indian employment and training programs started ten years ago, $71.4 million was appropriated for them. The amount available as recently as January of 1981 was $182.6 million. Now, and under the President's request for next year, the amount available under all JTPA Titles totals $75.4 million.

The Indian and Native American Employment and Training Coalition has analyzed the funding cuts on Indian programs in states with major Indian reservation areas. The results are shown on the attached table, along with the official BIA-reported unemployment rates for the reservations in those states.

Is there any way this Committee can stop this hemorrhaging of the resources we need to build a decent economic future for Indian and Native American people?

COMPARISON OF FY 81 and FY 84 FUNDING LEVELS FOR INDIAN AND NATIVE AMERICAN PROGRAMS

State	FY 1984 Level Compared to FY 1981 Level	Unemployment Rate: BIA
Alaska	- 75%	62%
Arizona	- 66%	59%
Idaho	- 59%	66%
Minnesota	- 60%	65%
Montana	- 61%	56%
New Mexico	- 63%	47%
North Dakota	- 70%	63%
South Dakota	- 65%	74%
Washington	- 66%	63%
Wisconsin	- 62%	53%

Note: The funding level figures for FY 81 include amounts allocated to all Indian and Native American grantees in the states shown under all CETA Titles pursuant to the second continuing resolution for that Fiscal Year. The funding level figures for FY 84 are the annualized allocations to Indian and Native American grantees for the current "Transition Period." The funding information was abstracted from DOL records by the Indian and Native American Employment and Training Coalition. The unemployment rate information was taken from the BIA Labor Force Survey released in August 1983.

In order to effectively use whatever employment and training program money is available, we also need proper administrative support from the Department of Labor. Congress tried to insure this support when it provided in Section 401(e) of JTPA:

> "The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of Native American employment and training programs authorized under this Act."

We haven't gotten that support, and our programs have suffered. There are several major problems.

First, we at the operating level waste a great deal of our scarce time and funds just figuring out who to talk to about our grants inside DOL's Employment and Training Administration. Currently we must deal with seven separate ETA offices, four of which have major authority over our grants.

The office we are supposed to work with -- the Division of Indian and Native American Programs (DINAP) -- has virtually no authority and cannot sign off on a single grant action. There are three separate Grant Officers in other parts of ETA that control our funding.

In addition to this current fragmentation of authority, we are now told that 10% of all Indian grants will be "reviewed" by a new organizational unit created as part of the debt collection office, an office that has no staff with any familiarity with the operation of Indian programs and no organizational connection to DINAP. This special "review" will be in addition to the scrutiny our grants already receive under the audit process, DINAP monitoring, an ongoing ETA evaluation contract, the performance standards process and other DOL investigation efforts. At this rate, we will soon have more people "reviewing" our grants than we have program slots to serve our people.

All this duplication must be costing the government money. Is there any way this Committee can put a stop to such waste?

Secondly, the law specifically requires that DOL administer Indian programs with staff that knows something about our programs. The only Indian people in DOL that deal with Indian JTPA programs are in DINAP. There are practically none left there, and the current RIF may wipe out all of them.

In the fall of 1981, there were 13 Indians on a DINAP staff of 30. Now there are 4 Indians on a DINAP staff of 25. DOL has done nothing to insure that any of them will be left in the Indian Division after the current RIF.

Can this Committee do anything to force the Department to comply with the explicit mandate in the law? In this regard, we specifically ask that you attach Section 2 of HR 4747 to the next appropriations bill reported by the Committee. We support HR 4747, introduced by Representatives Hoyer and Williams and cosponsored by over 60 members of the House. The Committee's favorable action on Section 2 of this bill would remind the Labor Department that it is not above the law.

One other issue related to the DOL budget is important to our programs. This is the funding of the audits of Indian JTPA grants.

Until recently, all DOL audits of Indian JTPA and CETA grants were paid for out of funds appropriated to DOL's Office of the Inspector General. Now, more and more Indian grantees are expected to pay for these audits out of their Title IV JTPA program funds. While Indian program funds have been cut drastically, there has been no reduction in the OIG's budget.

Indian tribal governments are covered by Attachment P to OMB Circular A-102. This Attachment requires covered organizations to implement -- at their own expense -- a single, organization-wide audit of all the federal funds they receive. The Attachment P process is now being implemented by more and more tribal governments. DOL is considering applying the concept to all Indian and Native American grantees.

Those tribal governments that have used it have found that an Attachment P-type audit is simpler, more efficient and much more useful in improving financial management practices. They strongly support the process, particularly in contrast to the punitive audit system DOL previously used to deal with the Indian program.

However, there is no money available to grantees to pay for this additional cost.

Can this Committee order the transfer of funds appropriated for DOL's Office of the Inspector General to Indian grantees for the specific purpose of paying the additional costs of Attachment P audits?

Thank you for this opportunity to discuss the implications of the FY 85 DOL budget on Indian and Native American employment and training programs.

INDIAN COMMUNITY HEALTH SERVICE, INC.

4143 North 16th Street
Phoenix, Arizona 85016

COST BENEFIT ANALYSIS:

July 1, 1983 through January 31, 1984

The patients had earlier hospital discharge or were prevented from hospitalization due to our Home Health Care Program.

Prepared by: Erma Mundy, MSW
Executive Director

February 1, 1984

	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
1.	Diabetes Mellitus (NIDDM) Hypertension	42-year old Pima female was maintained as an out-patient rather than an in-patient for instruction in diabetic regime; taught insulin administration at home, urine testing and diet control. Opened 11/28/84 Closed 1/19/84 6 Visits	$1,244.00 (4 days)	$208.00 (4 visits)	$300.00	$1,152.00
2.	Infected sinus of Ⓛ Calf area Cellutitis of Ⓛ Lower leg with abscess	47-year old Pima male with a 2 year history of frequent admissions for wound care was maintained on an out-patient basis by our home care program. He was taught proper wound care and with nursing intervention, healing took place and patient was not re-hospitalized. Opened 9/9/83 Closed 12/7/83 9 Visits	$3,110.00 (10 days)		$450.00	$2,660.00
3.	Diabetes Mellitus Amputation of 2nd Ⓛ toe	80-year old Pima male amputation of Ⓛ 2nd toe was able to be on early discharge from the hospital because of our home care program. Patient was taught a diabetic regime, wound care and safety with use of crutches in home. His foot was dirty and crusty and that flaking skin was preventing proper healing. With nursing intervention of good skin and wound care, wound healed and patient is walking normally. Opened 11/28/83 Closed 1/17/84 9 Visits	$4,354.00 (14 days)		$700.00	$3,654.00

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*$311.00 per day @ FY 82 rates. Figures for FY 83 not available at this time.

**$ 52.00 per out-patient visit. Current figures not available. This is figure used in Medicare and AHCCCS billing by PIMC.

***$50.00 for a Skilled Nursing service.
$30.00 for a Home Health Aide service.

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	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
4.	Failure to thrive; Diarrhea; Downs Syndrome	18-month old Yaqui male, weight 13 lbs. Nursing intervention—mother taught parenting, adequate feeding schedule. Started spoon feeding; supervision of nasogastric feedings. Support offered to family allowed them to improve their environment and now have refrigeration and indoor plumbing. Child weighs 16 lbs. now. Opened 10/3/83 Ongoing Case 15 Visits		$832.00 (16 visits)	$750.00	$ 82.00 (dollar benefit unknown for improved quality of life)
5.	Anterior Wall M.I.; Diabetes Mellitus; Coronary Artery Disease; Chronic UTI Bilateral Cataract; Ⓛ Mastectomy	72-year old Papago woman with instruction and encouragement given by the home care program was able to return to her pre-hospitalized level of activities of daily living. Opened 9/21/83 Closed 11/1/83 7 Visits	$2,177.00 (7 days)		$350.00	$1,827.00
6.	Gunshot Wound	22-year old Apache male and his mother were taught to do wound care through our home care service. Opened 9/29/83 Closed 10/17/83 3 Visits	$3,110.00 (10 days)		$150.00	$2,960.00
7.	ASCVD Diabetes Millitus; Laryngeal Polyps	88-year Pima female progressed from bed bound care to ambulating with a walker with the encouragement and nursing support of our home care program. Opened 9/14/83 Closed 12/5/83 14 Visits	$3,110.00 (10 days)		$700.00	$2,410.00

	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
8.	CVA Hemiparesis Ⓛ Hypertension	77-year old Hopi man was kept at home by his family with the assistance of our home care program. A urinary tract infection was discovered and early treatment instituted so that hospitalization and possible kidney failure was prevented. Nursing home costs were also saved. Opened 9/28/83 Closed 1/4/84 17 Visits	$3,110.00 (10 days)		$850.00	$2,260.00
9.	Acute and Chronic inflamation of thighs; Chronic ETOH abuse; Liver Disease	37-year Pima female who had been hospitalized more than 3 months was discharged to home care for skilled nursing care to complete healing of 4 wounds and 4 skin graft sites. Opened 1/20/84 Ongoing Case 4 Visits	$4,354.00 (14 days)		$ 200.00	$4,154.00
10.	Trauma-MVA	30-year old Choctaw male with jaws wired and open wounds on chin and abdomen was allowed early discharge because daily nursing care was available until patient or family was independent in wound care. Patient and family taught safety precautions with wired jaw. All wounds healed. Open 12/8/83 Closed 1/6/84 4 Visits	$4,354.00 (14 days)		$ 200.00	$4,154.00
11.	Amputee; Diabetes Mellitus; Hypertension	70-year old Papago male had nursing service for wound healing and a Restorative nursing Program to prepare him for a prosthesis. Opened 7/83 Ongoing Case 25 Nurse Visits 25 Home Health Aide Visits	$9,330.00 (30 days)	$2,600.00 (50 Visits)	$2,000.00	$9,930.00

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	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
12.	Recurrent Bladder Infection	58-year old Yaqui female who has a Catheter changed at home and has been taught to care for the catheter and has been infection free for 5 months. Opened 10/83 Ongoing 5 Visits	$3,110.00 (10 days)	$ 260.00 (5 visits)	$250.00	$3,120.00
13.	CHF Diabetes Mellitus; Trauma	66-year old Paiute male with current cardiac problems has been compliant with his medication regimen because of home care nursing visits. Opened 9/21/83 Closed 11/28/83 13 Visits	$1,555.00 (5 days)	$ 260.00 (5 visits)	$650.00	$1,165.00
14.	Paraplegia 2° to Trauma Recurrent VTI	21-year old Apache female who has increased her range of motion and has had reduced spasticity in her legs through the restorative home care program. Opened 9/26/83 Closed 1/24/84 14 Nurse Visits 26 Home Health Aide Visits	$1,244.00 (4 days)	$2,080.00 (40 visits)	$1,480.00	$1,844.00
15.	Rupture of Peri-Colonic Abscess Colostomy and Mucous Fistula	66-year old Yaqui male sent home with a colostomy and mid-line opened wound. All family members refused to take responsibility for colostomy care. Patient would only empty the bag. Home nursing care continued until patient was re-admitted for closure. Opened 11/3/83 Closed 1/1/84 12 Visits	$17,727.00 (57 days)		$ 600.00	$17,127.00
16.	Paraplegic 2° to MVA Ischial Decubitus	42-year old Navajo male with a history of frequent re-admissions for decubitus care was maintained at home with only out-patient visits due to our nursing service. Opened 12/2/83 Closed 1/31/84 10 Visits	$ 3,110.00 (10 days)		$ 500.00	$ 2,610.00

	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
17.	Osteomyelitis Amputation to Toes# 3,4,5,Ⓛ; Diabetes Mellitus	37-year old Navajo male was permitted early discharge from PIMC because we were able to do wound care at home and assess the healing process. Opened 12/2/83 Closed 12/20/83 4 Visits	$1,866.00 (6 days)		$200.00	$1,666.00
18.	Bilateral Cleft Lip and Cleft Palate	Re-hospitalization for a new born Navajo infant was prevented by our home care program. Mother was taught the necessary care for this difficult child and good bonding was fostered by CHN visits. Opened 9/13/83 Closed 2/1/84 14 Visits	$2,177.00 (7 days)		$700.00	$1,477.00
19.	Seizure Disorder	6-year old Hopi male child was observed for medication side effects and family taught medication compliance. Opened 10/5/83 Closed 10/28/83 3 Visits	$1,244.00 (4 days)		$250.00	$ 994.00
20.	Compression Fracture CHF; TIA; S/P CVA	73-year old Choctaw male was kept at home because of our home care program of support to patients and families. Medication schedule enforced. Opened 8/12/83 Closed 12/2/83 11 Visits	$5,280.00 (120 days)		$550.00	$4,730.00
21.	Chronic Respiratory Failure; Cor Pulmonale; Scleraderma	52-year old Hopi woman able to be discharged from hospital because our program was able to teach and supervise patient and family the required respiratory care. Opened 11/4/83 Closed 11/30/83 11 Visits	$4,354.00 (14 days)	$208.00 (4 visits)	$550.00	$4,012.00

	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
22.	Diabetes Mellitus	83-year old Chickasaw female was not hospitalized for diabetes control because of our home care instruction program. Opened 9/22/83 Closed 10/22/83 6 Visits	$1,244.00 (4 days)		$300.00	$ 944.00
23.	Terminally Ill	83-year old Pueblo male who was kept at home and not transported to the E.R. for a catheter installation during his final days Opened 2/2/84 Closed 2/6/84 1 Visit to Patient 1 Visit to Family after his Death		$ 52.00 (1 visit)	$ 50.00	$ 2.00 (plus death with dignity which has no dollar value)
24.	Apnea	Newborn Blackfeet male's family were taught to cope with the Apnea monitor and the stress it brought. CPR for all family members taught Opened 10/13/83 Closed 12/12/83 10 Visits		$156.00 (3 visits)	$500.00	Saved a life; dollar value unknown
25.	SVT Unstable Angina; Hypertension; Anxiety Neurosis	77-year old Dakota Sioux male has been able to control his chest pain and anxiety through proper use of medication taught by the commuity health nurse. Opened 12/21/83 Ongoing Case 3 Visits	$ 933.00 (3 days)	$156.00 (3 visits)	$150.00	$ 939.00
26.	CA of Bladder; Ureterostomy	76-year old Oglala Sioux male as been maintained on our home care program without Emergency Room visits or readmission for ureterostomy care. Opened 12/20/83 Ongoing 15 Visits		$780.00 (15 visits)	$750.00	$ 30.00
27.	Acute and Chronic Diverticulitis with Sigmoid Obstruction	69-year old Papago female with mid-line wound, a colostomy and excoriated skin. Patient able to be discharged early because of home care program and nursing service. Opened 1/16/84 Ongoing 9 Visits	$4,354.00 (14 days)	$156.00 (3 visits)	$450.00	$4,060.00

	Diagnosis	Patient	Estimated Hospitalization Costs*	Estimated Outpatient Costs**	Our Costs***	Estimated Cost Benefit
28.	Acute Myocardial Infarct	52-year old Cherokee male r[illegible] to accept diagnosis and limit[illegible] been an early discharge with mor[illegible]rvision on a home care basis. Opened 1/4/84 Closed 2/8/84 3 Visits	$1,244.00 (4 days)		$ 50.00	$ 1,194
29.	Bronchiectasis; RUL Abscess; Acute renal Failure; Post-op Broncho-plural fistula	71-year old Apache male who had been hospitalized to 6 months was discharged to our home care program. No readmission since discharge and no Emergency Room visits. Opened 1/10/84 Ongoing 10 visits	$1,555.00 (5 days)	$260.00 (5 visits)	$500.00	$ 1,315
30.	Liver Disease 2° to ETOH abuse; Ascites	42-year old Navajo female was maintained on a home care program for a 2 month period without re-hospitalization. Opened 10/24/83 Closed 12/15/84 7 Visits	$3,110.00 (10 days)		$350.00	$ 2,760.00
				Total Estimated Cost Benefit		$45,232.00

NOTE: In addition to the 30 individuals who received Home Health Care during this time, we served 865 individuals as follows:

Postpartum and Newborn Patients	242
Immunization Patients	74
Community Health Nursing Patients	549
Home Care Patients	30
Total Patients Served	895

INDIAN HEALTH CENTER OF
SANTA CLARA VALLEY INC.

3485 East Hills Drive
San Jose, California 95127
(408) 259-5366
(408) 259-5367

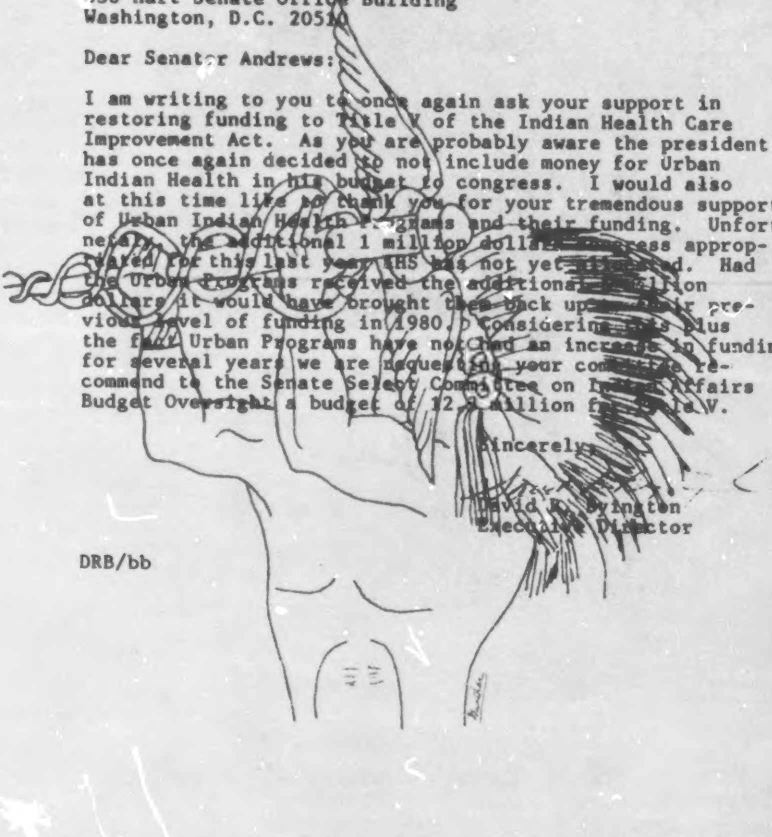
February 10, 1984

RECEIVED FEB 13 1984

The Honorable Mark Andrews, Chairperson
Senate Select Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Andrews:

I am writing to you to once again ask your support in restoring funding to Title V of the Indian Health Care Improvement Act. As you are probably aware the president has once again decided to not include money for Urban Indian Health in his budget to congress. I would also at this time like to thank you for your tremendous support of Urban Indian Health Programs and their funding. Unfortunately, the additional 1 million dollars Congress appropriated for this last year IHS has not yet allocated. Had the Urban Programs received the additional 1 million dollars it would have brought them back up to their previous level of funding in 1980. Considering this plus the fact Urban Programs have not had an increase in funding for several years we are requesting your committee recommend to the Senate Select Committee on Indian Affairs Budget Oversight a budget of 12.[illegible] million for Title V.



Sincerely,

David R. Byington
Executive Director

DRB/bb

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LUMMI INDIAN BUSINESS COUNCIL
2616 KWINA RD. • BELLINGHAM, WASHINGTON 98226-9298 • (206) 734-8180
DEPARTMENT:________________________ EXT.______

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Councilman

Testimony of Larry Kinley, Chairman
Lummi Indian Tribe
Before the Senate Select Committee on Indian Affairs
Regarding the FY85 Budget
February 23, 1984

The Lummi Indian Tribe, geographically located on the Northwest Coast of Washington State, currently operates the largest American Indian fishing fleet in North America. A majority of the 2500 enrolled Lummi Tribal members depend on the fishing industry, either as independent fishermen or as employees in commercial Tribal ventures, for their livelihood. Although the reservation land has minimal natural resource value the reservation borders prime commercial fishing and recreational boating areas as well as traditional shipping lanes. The future self-sufficiency of the Lummi Tribe depends on the management, enhancement, and harvest of the fisheries resource and the carefully planned utilization of a natural harbor area

The anadramous salmon fisheries is integral to the Lummi Tribal economy and culture. Since 1969, the Lummi Tribe constructed two salmon hatcheries to strengthen this renewable resource and, over 50 million salmonid fingerlings have been reared and released by the Lummi Tribe. The adult salmon returning from the Lummi hatchery efforts are estimated at over 14 million pounds of fish valued at over $28 million dollars. As documented by the BIA, Tribal hatchery operations along the Washington coastline contributed almost one-fourth of the salmonid released in Washington State in 1982 to be caught on their return by all user groups. The Lummi Tribal hatchery operation is a principal contributor to this anadramous fisheries.

Congress appropriated $375,000 in Lummi Tribal hatchery operating funds in 1978. This appropriation level has become the base support in the BIA budget request to Congress each year. Inflation costs for labor, power, and feed coupled with expanded production plans to release over 6 million more salmonids reqiures an FY85 appropriation at $450,000.

Major renovations and expansion on existing facilities to modernize operations, reduce production expenses, and increase annual yields will require an appropriation of $777,500. The major elements necessary for this renovation and modernization project include:

1)	modification of egg incubation process	$98,000
2)	construction of permanent residence facilities at the isolated hatchery location	50,000
3)	expansion and improvements of rearing ponds	264,500
4)	renovation of fry rearing water re-use system	225,000
5)	redesign of fresh water pump station on Lummi Bay	80,000
6)	renovation of Lummi Bay rearing pond	60,000

The investment by the Federal government in the Lummi hatchery renovations and expansions is estimated on a benefit to cost ratio to improve for each program dollar expended from the current $3.84 to $5.34 return for Washington State fisheries and from $7.38 to $9.52 return for the West coast fisheries. These benefits are spread among all user groups including the multiplier effects the commercial and recreational fisheries support systems.

The Lummi Tribe plans to build a commercial and recreational marina. Engineering studies by the Corps of Engineers are currently near completion. The planned harbor facilities will take advantage of commercial traffic from Alaska and the Near East for Export-Import purposes with recreational mooring and support facilities to capitalize on the proximity of the San Juan Island recreational boating areas. The Lummi Tribe currently needs a major road to lead to the marina for transportation access accommodating commercial-recreational facilities and construction transport. We are seeking these road construction funds through the existing appropriations available under P.L. 97-424, The Surface Transportation Assistance Act. As regards the marina, we urge this Committee to restore the appropriations for the Economic Development Administration proposed for elimination by the administration again in FY85.

The primary concern of the Lummi Tribe is the well-being of the Tribal membership ranging from family stability and housing to the social infrastructure requirements of health, social, educational, and community services. The current administration exhibits a surpising disregard for these basic human needs and we urge this Committee to restore support for human service delivery systems.

The Lummi Tribe is particularly concerned with its limited law enforcement capabilities. The Tribe is located in close proximity to metropolitan areas which creates understandable juridictional tensions and criminal activity. The Lummi Tribal Policy force consisted of six officers in 1980 handling 395 incident reports resulting in 124 arrests. In 1983 with only 2.5 full time officers, incident reports totalled 776 with 316 resulting arrests. The minimal available wages, stress from attempting to provide 24 hour coverage, lack of equipment and equipment failure all contribute to low morale and high turnover rate among Tribal policemen. Support resources from LEAA, CETA, and the BIA have been reduced to only the BIA due to program abolishments by this administration while incident reports and/or complaints have increased 196 percent. These statistics, unfortunately, spell trouble for Tribal citizens.

Beside the lack of adequate protective police force, inter-agency conflicts over jurisdiction and investigation from potential county and FBI support resources further aggravates the law enforcement situation. According to recent Supreme Court rulings , Inidan police officers are prohibited from arresting non-Indian committing crime on the reservation and must refer these criminals to non-Indian sources. Criminal investigative capabilities are with personnel in the BIA or FBI. Limited Federal agency investigators and the apparently low priority afforded the Lummi Tribe has resulted in only one conviction for 57 majo major crimes on the reservation in the last two years. We deperately need an increase in police personnel, improved equipment, specialized training for officers, an investigative capacity to stem and reduce this trend of increasing criminal activity, both Indian and non-Indian, on the Lummi Reservation. An adequate police force will require $166,000 in FY85.

In the health field, the Lummi Tribe adamantly opposes the continued efforts by the administration to abolish the effective Community Health Representative (CHR) program. The CHR program represents a vital link between the community and the clinic serving to reduce useage of the limited clinic capacity with home counseling and support services to alerting trained medical staff to emerging health problems. We strongly support the testimony of the Portland Area Health Board and the re-authorization of the Indian Health Care Improvement Act. And the Tribe seeks increased support for training local health staff and establishing community environmental health programs encompassing clean water, clean air, and an improved awareness of health hazards.

The Tribe is concerned that the Indian Health Service has been submerged during this administration under increasing layers of bureaucracy in the Department of Health and Human Services. Although not the charge of this Committee, we urge consideration of establishing an Assistant Secretary for Indian Health in the DHHS to raise the level of priority concern for Indian Health needs across the Department. In regards to the Department, we also express strong support for the reauthorization of the Administration for Native Americans as an important contribution to Tribal social and economic development.

The Lummi Child and Family Services program provides an extremely important professional support function to those Tribal members most in need. These services currently handle 135 wardships and 18 foster placements , as well as the oversight of 8 authorized foster homes with a total capacity of 28 children. Child abuse, including sexual abusement, is a critical concern for the Child and Family Services staff. A model multi-disciplinary project, named the "flying squad," provides for a pediatrician, mental health counselors, case workers, and police to meet On specific cases and develop comprehensive treatment approaches for the offender, victim, and family. A general increase in appropriations for social services is requested for Tribal governments to provide basic service needs. In particur, the Indian Child Welfare Act should be provided increased appropriations to allow all Tribes to participate in this most worthwhile program rather than the current BIA practice of supporting projects based on proposal merit.

The Lummi Tribe purchased a vacant school facility adjacent to the reservation in FY83 to house a Tribal school for children grades K-8 serving approximately 80 students. The established kindergarten program and grade school program was expanded several years ago to accommodate students ages 13-14 who have been alienated from public school systems. These teenage children, vulnerable to dropping out of school and life opportunities due to learning deficiencies and the need for individualized tutoring, receive specialized education services from certified professional teachers. Counseling and support services are provided by the Lummi Child and Family Services.

The Lummi Tribal school, certified in the State of Washington, provides an important educational service to these vulnerable youth. The structural facilities ranging from the gymnasium ceiling and boiler system to kitchen require extensive renovation and repair. Transportation for children curretly relies on an old van and borrowed unreliable GSA vehicles. Unfortunately BIA support has been limited with the BIA determining the school ineligible for JOM funding. How is it reasonable for public schools to be eligible for JOM funds and legitimate Tribal schools labelled ineligible? The Lummi Tribe requests an increase of at least $50,000 in FY85 to provided individual tutorial, basic skills, and counseling services and a multi-cultural curriculum for these Lummi Tribe members. The Lummi Tribe has secured private funding to allow Lummi elders to pass cultural knowledge and skills to these students in a structured environment. The Tribe has borne the capital outlay to purchase the facility, but cannot affort to underwrite the cost of the education process.

The Lummi Community College has evolved into an educational resource for the Lummi Tribal community and as a potential post-secondary training facility for Pacific Northwest Tribes. The college with approximately 80 students is currently receiving limited funding through the FTE enrollment allocation formula shares. Through a 638 grant, the college will provide specialized training to the Tribal Council and staff in management roles and responsibilities. The Tribe envisions with Federal support an expanded role for college faculty to serve as extension agents in training Tribal fishermen in business management, boat maintenance, repair of equipment, and entrepreneurship options for business expansion. If successful, this program could be transported to other Tribes to enhance their individual and Tribal economic ventures in fisheries.

In closing, the Lummi Tribe wishes to express concern over the appropriation process and timely Advice of Allotments. Although the BIA appropriations became law early in the fiscal year, tentative Advice of Allotments weren't released until February, 1984. The mysterious AOA issue needs resolution in this fiscal year to ensure that Tribal governments receive their final appropriations early in the year for Tribal stability and planning. And we request that this Committee review the indirect cost issue this fiscal year from the perspectives of both the BIA plans to consolidate Contract Support Funds and program funds as well as recent Inspector General rulings on Tribal indirect cost over and under recovery determination.

Pat

PREPARED
STATEMENT OF
THE HONORABLE HARRIS L. ATKINSON
MAYOR, METLAKATLA INDIAN COMMUNITY
ANNETTE ISLANDS RESERVE, ALASKA
BEFORE
THE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES
OF
THE HOUSE APPROPRIATIONS COMMITTEE
February 22, 1984

Mr. Chairman, as Mayor of the Metlakatla Indian Community, an Indian Tribe organized under the Federal Indian Reorganization Act, I wish to express my appreciation to you and the other members of this Subcommittee for the opportunity to present the views of our Community on the proposed fiscal year 1985 budgets for the Bureau of Indian Affairs and the Indian Health Service.

We have a number of concerns about the proposed funding levels of these two agencies in F.Y. 1985 which should be brought to your attention.

First, the budget does not include funds to complete the federally-owned Tamgas Creek fish hatchery located on the Annette Islands Reserve. While the Tamgas hatchery is managed by our Community under a contract with the federal government, its benefits to the fishery from California to the Gulf of Alaska have already been well documented in our annual hatchery management plans approved by the Bureau of Indian Affairs.

In order to complete the hatchery in F.Y. 1985, an appropriation of $2,455,000 is required based on cost estimates which we have recently updated. These funds will include a breakwater jetty and seawater supply system

($1.5 million), essential production equipment (fish feeder, pumps, etc., $200,000), an elastomeer lined 1-million gallon smolt rearing pond ($225,000), surfacing and completion of the hatchery access road ($225,000), high density bulk incubator ($80,000), and a one-mile primitive access road to permit fingerling rearing in a natural lake ($335,000). A detailed report and justification for the final phase (Phase IV) of the Tamgas hatchery construction project is being prepared by our staff and will be provided to you and to the Bureau of Indian Affairs shortly.

We also wish to point out that the proposed F.Y. 1985 budget for the operation of the hatchery is $200,000, the same level as in F.Y. 1984, although after the completion of Phase III of the hatchery an annual budget of $350,000 will be required for its operation.

The enclosed memorandum dated July 7, 1982, reflects, on page 3, the Bureau's commitment to provide at least $253,800 for hatchery operations. That commitment was ignored when funding for the hatchery was reduced to $200,000 in F.Y. 1984.

Mr. Chairman, while we provided the land for the hatchery free of charge and our fishermen benefit from its production (together with all other fishermen in southeast Alaska waters), the hatchery is federally owned and its operation is a federal responsibility. Without an adequate budget for its operation, the hatchery will not realize its full potential in contributing to the revival of the salmon fishery in Alaskan waters.

Secondly, we must call your attention to the failure of the Bureau of Indian Affairs to honor commitments made to our Community when the Annette Islands Agency was transferred to the Portland Area Office from the Juneau Area. We are submitting herewith the proposed budget levels for the Agency for F.Y. 1985 as provided to us recently by the Bureau. We are also submitting the memorandum, dated July 7, 1982, prepared by the Assistant Area Director, Portland Area Office, which reflects the agreement made as to Annette Agency funding when the Agency transfer was planned in 1982. We ask that you require the Bureau to adhere to the commitments made at that time to provide at least a seven-position agency program, including a fisheries biologist. Mr. Brown's memorandum clearly reflects the allocation of funds for that purpose and includes the statement: "it is an absolute must to have a fisheries man at that location." We have repeatedly requested an explanation from the Bureau as to why no funds have been provided either in F.Y. 1984 or in the proposed budget for F.Y. 1985 to permit the employment of the fisheries biologist, and we have received no explanation.

We also wish to oppose the Bureau proposal under which no separate line item will be provided for Indian Contract Support funding for the overhead costs of contracts under Public Law 93-638. We operate law enforcement, social service, natural resource and education programs for our tribal members. We have understood that in Public Law 93-638, particularly in section 106(h), Congress made a commitment to provide sufficient administrative funds for those tribes contracting under Public Law 93-638 so that they would not need to reduce services to their members in order to fulfill the financial management and other administrative requirements of their contracts.

Under the Bureau's new plan the need for such administrative overhead funds will be computed only once, instead of being based on annual negotiations as at present.

We are concerned that this system will inevitably require in future years the diversion of our BIA program funding to pay any increase in overhead costs. We urge that you require the Bureau to continue to allocate separate identified overhead funding to Public Law 93-638 contracts and to continue the practice of negotiating the amount of such allocations annually based on need.

We are extremely concerned also at the $435,000 funding level provided by the Indian Health Service for our Annette Islands Service Unit (including $169,000 for contract care). When a separate service unit was established in 1981, we requested $713,000 as our fair share of IHS funding but the Indian Health Service agreed to provide only $499,000 and a minimum of eleven positions. Instead the service unit was initially funded at $430,000 and only seven positions were filled. In consultation with our Community, the Indian Health Service has planned a budget of $1,046,000 which it considers essential for an effective health program at Metlakatla. But it continues to provide only $435,000 to operate the service unit and has still only filled seven positions.

In F.Y. 1983 we noted that IHS' procedure for ranking health needs placed us in Level III, while our immediate neighbors, from which we were separated when the service unit was established, ranked in Level I and Level II. This result clearly supports our position that we have not been provided with an equitable funding level for the Annette Islands Service Unit ever since it was established in 1981. We respectfully request that you examine this matter with the Indian Health Service and assure that the funding level for the health needs of the Indian people served by the Annette Service Unit is established equitably and provides the level of services considered essential by IHS to meet its responsibilities to the Indian people of the Annette Islands Reserve.

We also request, Mr. Chairman, that your Subcommittee once again reject the proposal of the Administration to abolish the Community Health Representative Program. This program has been instrumental in critical improvements in Indian health through employing community people to assist in preventive health and health education programs. We thank you for your successful struggle to save this program in the past and we urge that you provide at least $30,000,000 for this important program, which we understand to be the bare minimum necessary to sustain it.

AREA TOTALS FOR AGENCY: [illegible]
SHOWING TARGET NUMBER 3
TRIBE/AGENCY DATA ONLY

REPORT [illegible]

✓

LINE	PROGRAM TITLE	[illegible]	
11	SCHOLARSHIPS	11.1	0
12	ADULT EDUCATION	3.1	0
13	TRIBAL CONTROLLED COMM. COLLEGES	.0	0
19	EDUCATION, SUBTOTAL*	14.2	0
20	COMMUNITY SERVICES, GENERAL	.0	0
21	AGRICULTURAL EXTENSION SERVICES	.0	0
22	OTHER AID TO TRIBAL GOVERNMENT	.0	0
23	TRIBAL COURTS	74.4	0
24	SOCIAL SERVICES	39.2	0
25	LAW ENFORCEMENT	173.9	0
26	HOUSING	13.0	0
27	SELF-DETERMINATION SERVICES	2.1	0
28	COMMUNITY FIRE PROTECTION	11.0	0
29	INDIAN SERVICES, SUBTOTAL*	313.6	0
32	CREDIT AND FINANCING	.0	0
33	ADULT VOCATIONAL TRAINING	17.0	0
34	OTHER EMPLOYMENT ASSISTANCE	4.3	0
35	ROAD MAINTENANCE	108.3	1
39	ECON. DEV. & EMPL., SUBTOTAL*	[illegible]	1
40	NATURAL RESOURCES, GENERAL	.0	0
41	AGRICULTURE	.0	0
42	FORESTRY	73.0	0
43	MINERALS AND MINING	14.0	0
44	WATER RESOURCES	.0	0
45	WILDLIFE AND PARKS	90.4	0
49	NATURAL RESOURCES, SUBTOTAL*	227.4	0
50	TRUST SERVICES, GENERAL	.0	0
51	ENVIRONMENTAL QUALITY SERVICES	3.0	0
52	OTHER RIGHTS PROTECTION	[illegible]	0
53	REAL ESTATE APPRAISALS	.0	0
54	OTHER REAL ESTATE SERVICES	43.5	0
55	FINANCIAL TRUST SERVICES	.0	0
59	TRUST RESPONS., SUBTOTAL*	112.5	0
60	SAFETY MANAGEMENT	.0	0
62	PROGRAM DEVELOPMENT & BUDGET	.0	0
63	EXECUTIVE DIRECTION	100.0	3
64	ADMINISTRATIVE SERVICES	.0	0
65	NEW DIRECT RENTAL OF FACILITIES	.0	0
66	NEW GSA RENTAL OF FACILITIES	.0	0
68	FACILITIES MANAGEMENT	.0	0
69	MGMT. & ADMIN., SUBTOTAL*	100.0	3
99	**** GRAND TOTAL ****	[illegible]	4

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527

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

For your information.

LD

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METLAKATLA JUL 12

TO ☐ Commissioner, ☐ Superintendent

☐ Area Director, ☒ METLAKATLA INDIAN COMMUNITY

FOR ATTENTION OF Mayor Casey Nelson

FROM Ron Brown, Acting Assist. Area Dir., (Admin.) Portland Area Office	FILE REFERENCE	MARK ANY RETURN CORRESPONDENCE FOR ATTENTION	DATE 7-7-82

SUBJECT Attached copy of notes on the 6-30-82 meeting at Portland Area Office.

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NOTES - Meeting of June 30, 1982 with the Metlakatla Indian Community

Subject: Funds and positions to be transferred from Juneau to Portland.

Present: Greg Argel - Metlakatla
Gorden Thompsen - Metlakatla
Richard Johnson - Metlakatla
The Honorable Casey Nelson - Mayor, Metlakatla
Dave Horton - Superintendent, Southeast Agency, BIA
Wanda
Ron Brown - BIA, Portland Area

The Metlakatlas asked for five considerations:

1) That all contract and program funds currently being allocated to the Annette Island reservations be continued;

2) that the Annette island field station be staffed with 7 full time FTE positions;

3) that included in these 7 positions is a Fisheries Biologist and enough funding for his program;

4) that enough Administrative support funds be transferred from Juneau Area Office to Portland Area to insure that the transfer of the Metlakatla Indian Community to Portland will not reduce services to other Portland Area tribes;

5) that all of the past Roads construction credits accruing to Annette Island be transferred to Portland Area to be used on the Annette Island reservation.

Item by item discussion:

Item 1 - funding for contracts and ongoing programs

(a) except for a slight disagreement on the amount of funding needed for the Fisheries program, we were all in agreement on these funding levels. The Tribe was aware that FY 83 funding was still tentative, however, it was agreed that these tentatives would not be changed unless reduced by the Central Office because of changes in overall national BIA priorities or because of Congressional action.

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Tentative Allocations and Source

		Tentative Allocation Part "A" Tribal Priorities	Tentative Allocation Part A Agency Priorities	Tentative Allocation Part D Area Office	Tentative Allocation Part B Area Office
1365	Higher Edu. Grants		45.7		
1361	Adult Education	3.0			

Note: Higher Education was not discussed at meeting; however, the 45.7 was taken from the Superintendent's breakout of FY 82 grants.

2165	Tribal Courts	74.4			
2166	Social Services	40.4			

Note: General Assistance is scheduled to be transferred to the State of Alaska. If it is not, the following programs should be transferred to Portland:

General Assistance			28.9	
Misc. Assistance			3.0	
Special Child Welfare			3.9	

Note: The Portland Area also contends that a pro rata share of "Indian Child Welfare Grant" funds be transferred to Portland.

23	Law Enforcement	174.9			
24	Housing	14.9			
26	Self Det. Grant	26.0			

Note: The Self Determination grant was included in the wrong locations base - should be transferred to Metlakatla.

2171	Community Fire	21.0			
3365	AVT	30.0			
3361	DE	4.5			
35	Roads Maint.	23.3			86.0

Note: The Roads Maintenance program at Metlakatla has been managed out of the Juneau Area Office. The 86.0 thousand is in the Area "B" base. These funds should be transferred to the Metlakatla "A" base and transferred to Portland with the rest of the "A" program.

40	Trust, Gen.	71.0			
42	Realty	43.3			
50	Natural Res. Gen.	73.3			
52	Forestry	39.3			
53	Minerals & Mining	40.0			
57	Wildlife & Parks	77.1		309.5	

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Note: The 77.1 thousand is for Herring Fisheries and Fisheries enforcement. The 309,500 is for 45.7 to hire a Fisheries Biologist and 253,800 for Hatchery operations.

756.4	45.7	344.8	86.0

In addition, contract support funds 2664 should be divided on a pro rata basis using the following formula:

$$\frac{\text{FY 82 (2664) Contract Support Obligations Metlakatla}}{\text{FY 82 Contract Support 2664 allotment Juneau Area Office}} \text{ X } \text{FY 83 Allotment Contract Support, Juneau Area}$$

$$= \text{Metlakatla share FY 83}$$

Item II - Seven FTE at Annette Island.

There was considerable disagreement on this issue. Dave Horton, Superintendent, Southeast Agency, understood that four positions, including two Roads positions that were already filled, would be transferred to the Annette Island Reservation Field Station. Vince Little, Area Director, Portland Area, was of the opinion that six positions and funding would be transferred. The Metlakatla wanted seven positions. Either through a direct promise or mutual understanding of some sort, the Metlakatla understood they were to have a staff of seven - six from the original plan and one Fisheries Biologist that was promised at a later date. The difference is as follows:

Area Director, Juneau - willing to transfer four positions and funding for three. They would transfer funding for Roads positions along with the Roads maintenance program. They would transfer $45.7 for a Fisheries program but would not transfer a position. We would have to use one of the remaining positions.

SUMMARY:

Position	Position Source	Funding Source	Add'l Positions	Additional Funding
Roads Maintenance	Juneau	Juneau		-0-
Roads Maintenance	Juneau	Juneau		-0-
Fisheries Biologist	Juneau	Juneau		-0-
Field Representative	Juneau	None		55.0
Secretary	None	None	1	17.0
638 Coordinator	None	None	1	34.0
Natural Resource Officer	None	None	1	42.0
		Total -	3	148.0

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Space to house federal employees and equipment not discussed.

Item III - Fisheries Biologist

This item was included in the discussion on the seven positions talked about in Item II. Our fisheries man, Joe Warner, feels that it is an absolute must to have a Fisheries man at the location.

Item IV - Reduction of Administrative support to PAO Tribes.

The Portland Area staff (Ron Brown) said that we would negotiate this point with the Central Office and Juneau and that within the 16 Million dollar reduction the Portland Region would receive its fair share of funds. In addition, we would ask for an equitable distribution of Contract support.

Item V - Roads Construction credits.

There was some disagreement on Roads construction funds. The Metlakatlas have not had a construction program on the Island for several years. They say they have these years credit coming to them. The Central Office, Jim Ball and R. Fleak, agree with Metlakatla. They say they have accrued credits somewhere between $600.0 and $700.0 thousand. However, they have told the Juneau Area Office to divide the Metlakatla share out. There may be disagreement here, however, we wont know for sure until Juneau divides it out. Metlakatla says they have $667.0 thousand coming and may be willing to negotiate the transfer of funds from Juneau to Portland, pro rating it over a couple of years.

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PREPARED
STATEMENT
OF
BUFFALO TIGER,
CHAIRMAN OF THE MICCOSUKEE
TRIBE OF INDIANS
OF FLORIDA
BEFORE
THE SUBCOMMITTEE ON INTERIOR
AND RELATED AGENCIES
OF THE
HOUSE APPROPRIATIONS COMMITTEE
February 21, 1984

Mr. Chairman, I appreciate the opportunity of presenting the views of the Miccosuke Tribe of Indians of Florida on the proposed Bureau of Indian Affairs budget for Fiscal Year 1985. We wish to bring several matters of importance to our Tribe to your attention.

In 1982 Congress enacted the Florida Indian Lands Claims Settlement Act. This Act extinguished the claims of our Tribe to most of the present State of Florida and gave us in exchange 189,000 acres under a perpetual lease. It also transferred our former state reservation to the Federal Government in trust for the Miccosukee Tribe. Under the Settlement Act, the 189,000 leased acres is treated as a federal reservation for determining the elibility of our Tribe for federal programs for which Indians are eligible because of the status as Indians and residence on a federal reservation. The former State reservation is now by Act of Congress held in trust by the United States for the benefit of the Miccosukee Tribe.

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On June 30, 1983, we wrote to the Bureau of Indian Affairs pointing out that the Settlement Act established our eligibility for certain additional federal programs and an immediate need for federal services in resource management and realty to insure that the federal trust responsibility is fulfilled. We proposed a $100,000 resource management and real estate office to provide resource management and real estate services comparable to those provided with respect to other federal reservations. Based on our experience in operating Bureau programs since 1970, we propose to provide these services under P.L. 93-638 in accordance with federal Indian self-determination policy and regulations. (25 C.F.R. §§271.31 to 271.34).

The Bureau has not responded to this request. We have not been provided in FY 1984 with any assistance in connection with our trust resources. We have recently received the enclosed breakdown of the funding levels for our Bureau programs in FY 1985. No funds for natural resources or trust services in connection with the additional lands provided to us under the Settlement Act are included.

We have no choice, therefore, but to ask your help in providing the financial resources to enable the Bureau to assist us in conserving and managing the lands and waters which have been confirmed to us in exchange for the release of our claims to most of the State of Florida. We request you to include $100,000 in the FY 1985 budget so that the Bureau can fulfill the federal responsibility with respect to these lands clearly contemplated in the Settlement Act.

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We also wish to raise several other points on our Bureau budget. We understand that funds intended by Congress for the operation of the Miccosukee Indian School may have been diverted to other purposes by the Bureau. We have requested clarification as to whether this action has been taken with the consent of the Appropriations Committees and have received no response. If, in fact, the Bureau is using the funds contrary to the wishes of Congress, we respectfully request that action be taken, through the General Accounting Office or otherwise, to compel the Bureau to cease diverting funds to purposes other than those for which they have been appropriated.

Finally, we have been promised since the enactment of the Settlement Act that the Bureau will survey the boundary of the federal reservation established by that Act. No action has been taken, however, although the Bureau has told us that sufficient funds are available in its budget for such surveys. We have not been told when the survey can take place. We, respectfully, request your assistance in encouraging the Bureau to proceed with this matter.

We also wish to register the opposition of the Miccosukee Tribe to the Bureau's proposal to eliminate the separate Indian Contract Support fund. The separate fund has enabled the Bureau to contract many programs to us and to other tribes without the necessity to reduce the level of services to tribal members. The elimination of the separate fund from which overhead needs established through annual negotiations can be provided will mean that tribes will be forced to pay a financial penalty for contracting. The implementation of the Bureau's new overhead plan will thwart Congress's policy of encouraging tribal operation of BIA programs.

Finally, we are concerned at the Bureau's continuing failure to carry out its responsibility as to "Major repairs" with respect to federally-owned buildings in which we carry on our 638 contract programs. We are preparing and will submit to you shortly a detailed report on this problem. Unless the Bureau's performance in this area improves in the near future, these buildings will deterioriate drastically.

With respect to the Indian Health Service budget, the Miccosukee Tribe wishes to express its appreciation of your continued support for the Community Health Representative program of the Indian Health Service and to urge that you will once again reject the Administration's proposal to abolish this important program which has contributed so much over the years to improvements in Indian health.

Miccosukee Tribe of Indians
of Florida

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June 30, 1983

Mr. Harry A. Rainbolt
Area Director
Eastern Area Office
Bureau of Indian Affairs
1951 Constitution Avenue, N.W.
Washington, D.C. 20245

Dear Mr. Rainbolt:

As you know, the Miccosukee Tribe of Indians of Florida, as a result of the Florida Indian Land Claims Settlement Act of 1982 (Public Law 97-399) has acquired some 189,000 acres of additional land between U.S. Highway 41 and Alligator Alley and, in addition, the Miccosukee State Indian Reservation has been transferred to the United States by the State of Florida to be held as an Indian reservation in trust for the Tribe.

Section 6 of Public Law 97-399 provides that the 189,000 acre tract shall be treated as a federally-recognized Indian reservation for purposes of determining the eligibility of the Tribe for federal programs for which Indians are eligible because of their status as Indians and their residence on a reservation. With respect to the Alligator Alley Reservation, itself, the

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Bureau of Indian Affairs now has the responsibility to protect and enhance the corpus of the trust estate by providing the Tribe with the professional, technical, administrative and protective services required of the United States in its role as trustee of Indian-owned real property.

The Public Law 97-399 significantly increased the responsibilities of the Tribe and the Bureau of Indian Affairs in such areas as agriculture, fisheries, wildlife and parks, water resource planning and conservation and environmental quality concerns, forestry and fire suppression, minerals and mining, rights protection, and real estate services. As you are well aware, the present Bureau of Indian Affairs budget for services to the Miccosukee Tribe does not provide anything to support these additional responsibilities. Initially, it is imperative that the Bureau assist us in the sound and orderly planning of the development of these new resources in a manner consistent with the legal constraints applicable to these lands and waters under Public Law 97-399 and with the federal trust responsibility applicable to the Reservation land.

This immediate need involves the establishment of a resource management and real estate service office which would have responsibility for:

(a) all real estate actions (lease and right-of-way processing, etc.), relating to the Miccosukee Reservation;

(b) planning and implementing programs on tribal lands for the benefit of the Tribe involving water and wildlife resource development and conservation, roads maintenance and development, public recreational projects, and other income-producing tribal enterprises related to tribal land development;

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(c) negotiating all necessary federal and state agency approvals and clearances to permit tribal projects to go forward;

(d) identifying financial resources (federal, state or private) which may be available to the Tribe to finance such development programs and projects.

We are attaching a proposed budget and request that the funds be included, if possible, in the Bureau of Indian Affairs budget for F.Y. 1984. As we have discussed, the Tribe is not able to re-program funds from other essential reservation activities to meet the needs resulting from the Settlement Act. As we recognize that the F.Y. 1984 budget cycle is now well along, we have tried to keep this request to the minimum essential to enable us to work with the Bureau to initiate a program in F.Y. 1983. We urge that consideration be given to expanding this program in F.Y. 1985 and I will be glad to meet with you in the near future to develop a detailed program justification for F.Y. 1985.

Sincerely,

Buffalo Tiger

Buffalo Tiger
Chairman

Attachment

BT/KM:gpc

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Miccosukee Tribe
Alligator Alley Reservation
Proposed Budget
For Start-Up

Resource Management and Real Estate Office

Resource Management Staff, including Clerical support		$ 75,000.00
Local Travel		4,000.00
Out-Of-Town Travel		5,000.00
Supplies		1,000.00
Office Equipment		10,000.00
	Total Direct Cost	$100,000.00

PREPARED
TESTIMONY
PREPARED FOR THE
SENATE APPROPRIATIONS SUBCOMMITTEE
ON
INTERIOR AND RELATED AGENCIES

THIS TESTIMONY IS PRESENTED BY ROBERT I. NAKAI, MPH, EXECUTIVE DIRECTOR OF THE MILWAUKEE INDIAN HEALTH BOARD, 930 NORTH 27TH STREET, MILWAUKEE, WISCONSIN 53208.

This testimony, as brief as it is, will be presented to address the Public Law 94-437, the Indian Health Improvement Act, in three statements of three periods of time; 1) the 1977-84 years, 2) the present fiscal year of 1983-84, and 3) the future of the Act for the years 1985-1988.

This testimony is presented on behalf of the Milwaukee Indian Health Board and Indian people of the Milwaukee communities. It is also in support of the American Indian Health Care Association for the continued support of this subcommittee in insuring that the Public Law 94-437 continues to fulfill its committment to Indian people for the present year and for the proposed years of 1985-1988.

This testimony, presented on behalf of the Milwaukee Indian Health Board, is offered in support of the recommendation of the American Indian Health Care Association that $12.3 million be appropriated under Title V, Health Services for Urban Indians of the Indian Health Care Improvement Act, P.L. 94-437.

Additionally, I would like to speak on behalf of the Association in its plans to develop and implement the following points:

1. $1.3 million for the needs and assessment and development of Indian Health Centers,
2. The enforcement of the implementation of the UCRR data collection reports,
3. The creation of an assistant secretary position for Indian Affairs within the Department of Health & Human Services,
4. The creation of an urban Indian health office and finally,
5. Support the development of the Indian Health Advisory Board, but reject any portion of section 802 which does not specifically support the inclusion of urban Indians on the Health Advisory Board.

Public Law 94-437, has provided the mechanism through which Indians (both urban and non-urban) have been able to receive health care services which has been denied them either because of lack of funds or lack of facilities that understand the Indian person.

THE ROLE OF TITLE V FUNDS

Title V funds, specifically, have contributed to the growth of the Milwaukee Indian Health Board and other urban Indian health programs. Rather than reiterating how the urban Indian communities are at a disadvantage, I would like to address the positive growth of the MIHB and how it has grown from a small health clinic to a strong, viable health provider organization that is sought in the professional community.

The Milwaukee Indian Health Board has met and filled a need identified as lacking among the urban Indian population. But to assume that the immediate resolution of accessibility, availability and acceptability of these health concerns is at an end is also to believe that the National deficit can be remedied by next year. MIHB has reached a role whereby it can provide a comprehensive and quality health care package to its patients. To withdraw these funds at this time would jeopardize the significant progress of the MIHB programs as the goals of self-sufficiency are in view. However, because of the patient mix presently being seen at MIHB, there will have to be side by side delivery of services where we can continue to provide health care to the low-income as well as the lower middle-income population.

MIHB anticipates that within the next five years it will be a demonstration model of success in the utilization of Federal dollars to become self-sufficient. This is clearly demonstrated by the following figures:

During the period of 1975-1982, MIHB has provided primary health care services to 8,210 patients in 1982, as opposed to 2,060 in 1975. The increase in services has been in the area of medical and dental services. The MIHB has increased its operating budget from $101,182 in 1975, to $2.2 million in 1982. However, much like the rest of the business world, we are having to offset any growth and increase by the rate of inflation. MIHB should have an operating budget of $5 million to effectively perform at its capacity.

As in the past hearings regarding appropriations, we are asking your continued support of insuring that $12.3 million be appropriated under Title V of the present legislative act affecting urban Indian people.

SUPPORT FOR REAUTHORIZATION OF P.L. 94-437 FOR 1985.1988

MIHB stands in support of the reauthorization of P.L. 94-437 for 1985-1988. The enactment would allow full fruition of health care services to Indian people throughout the Nation.

We would encourage your continued support in addressing the health care concerns that are addressed through the Act. Statistics and humanitarianism warrants and supports the notion of a dollar wisely spent is a dollar invested in the future.

MILWAUKEE INDIAN HEALTH BOARD, INC.
Milwaukee, Wisconsin

BACKGROUND INFORMATION

The Milwaukee Indian Health Board, a non-profit organization, was established to meet the health care needs of the Milwaukee area Indian community by providing primary health care services.

Presently Milwaukee Indian Health Board (MIHB), as a Phase IV Urban Indian health care project offers medical and dental care, pharmacy, laboratory services, health education, social services, nutrition, outreach, and health law. Additionally, arrangements are made to provide our clients with specialized and secondary care through referral.

One of the goals of the Milwaukee Indian Health Board is to provide health care services that are acceptable, continuous and is of quality, in a cost-effective and professional manner.

Though great strides have been made by our agency in elevating the health status of the Milwaukee Indian population, including a documented positive impact on the level of infant mortality through improved prenatal care, the health needs of Milwaukee Indian people continue to be critical. The reluctance of utilizing existing health care system by urban Indians because of economic and cultural factors has been a continual problem.

In spite of funding that has previously been appropriated, the Indian population of Wisconsin continues to show a lower general health status than the rest of the population with higher preventable death rates, the highest of which is accidental deaths (over three times) and infant mortality (38%) higher). The client population served by our agency has chronic high unemployment and low incomes, with 62% of our clients below established poverty guidelines. We are serving an increasingly larger number of children and adolescents with 53% of our patients under 18 years of age.

Presently the Milwaukee Indian Health Board has an active patient load of approximately 6,600 medical and dental patients, 63% are Indian people.

During [illegible] the Milwaukee Indian Health Board provided the following health care services to the Milwaukee community:

Medical Encounters	13,925
Dental Encounters	5,826
Social Service, Nutrition, Education, Pharmacy and Other Encounters	14,280
	32,369

Our center has become known as a competent health care provider, both in the professional community and in the greater community of Milwaukee. During 1983 we provided training and employment in health care services with the majority of our staff being Indian people. This has offered these individuals an opportunity to gain the necessary skills, whereby they can obtain jobs in the health care field. Aligned with this, MIHB has had an opportunity to benefit from the individuals.

Presently we see the cutbacks, as proposed by the Administration, as the curtailment of existing health care services available for the medically needy. We are finding a greater number of our clients who fall below the poverty level and have no available third party coverage or source of payment for health care.

During this period of inflationary health care costs, city and county and local governments are looking to community health centers to meet the needs of people they cannot serve any longer. Consequently, we are increasing our patient visits, but unfortunately, the facility cannot absorb the demand without major renovation.

As a private non-profit organization we have approached the private sector and foundations seeking to obtain funding to meet the health needs of our community, however, they are also faced with great demands on limited resources.

As a multi-funded agency the Milwaukee Indian Health Board has fulfilled one of the mandates of P.L. 94-437, The Indian Health Care Improvement Act, Title V, which is to maximize as far as possible additional sources of federal, state, local and private funding to address the health needs of the urban Indian community. We now have an operating budget, of $1.6 million with approximately 21% coming from Indian Health Services. Even though this seems to be a small part of the operating budget the loss of Indian Health Service funding would drastically impair our ability to continue to provide a wide range of quality comprehensive health care services. Thereby seriously limiting our function as an organization targeted to meet the unique health needs of the urban Indian population. We are presently the only Indian oriented health resource in the greater Milwaukee area, the loss of IHS Title V funding would result in this focus ceasing to exist.

As a community health center also funded through the Bureau of Community Health Services under Urban Health Initiative and National Health Service Corps, we have expanded beyond the scope possible under the limited IHS Title V funding. The BCHS/NHSC support has enabled the project to respond to the health needs of the Indian community while at the same time building a clinic that is consistent with accepted standards for community health centers.

The continuation of the great strides made by the Milwaukee Indian Health Board in improving the health status of our community requires that we maintain adequate funding from a variety of sources.

As a health agency that has gone through the long and often costly process of program development, we feel that the most cost-effective application of the previous support given our project would be continuation of funding at a realistic and appropriate level.

ORGANIZATIONAL HISTORY

The Milwaukee Indian Health Board began in June, 1974 with initial funding provided by the Aberdeen Area Indian Health Service to research and design a program to address the unique health care needs of urban Indians in Milwaukee. After initial health status surveys and medical testing, the MIHB began to solicit local and church related fund sources. A referral and social services program was developed to begin identifying barriers to the urban health care system for Indian people. Staff developed appropriate health care referral linkages, documented the needs and provided follow-up and transportation assistance for th clients.

In October, 1976, a two-year grant from the State of Wisconsin Department of Health and Social Services, for health screenings, nutrition education and food vouchers, was the first direct health service program at MIHB.

In July, 1977, a medical program started with a State of Wisconsin Maternal and Child Health (MCH) program grant. On site services provided were physical exams, immunizations, TB testing, EKG's, blood tests and pregnancy testing.

In January, 1978, a variety of funding sources were pooled together, a building was located and remodeled and the MIHB clinic opened. It was the beginning of the primary care community health clinic program, currently a model for urban health centers.

During the next two years the clinic experienced growth and increased medical and dental services to produce a stable, comprehensive program with over 4,000 active medical clients. However, during this period the State MCH funding stopped. As a result, a large part of the clinic's operational funds were affected. The Board of Directors therefore moved to increase both IHS and Urban Health Initiative (UHI) funding. This move increased OB/GYN specialties, primary care physicians, dental providers, pharmacy services, laboratory services and health education programming.

In 1981, the present clinic facility was purchased and remodeled. Earlier goals and objectives had called for developing additional programs. These new programs were in need of space. In addition, new goals and objectives will be to develop management information services, billing procedures and new income generating programs. Therefore, space is a critical factor in the clinic's development program.

Presently, the Milwaukee Indian Health Board is seeing approximately 6,600 patients and the number continues to increase each year. We do not anticipate a decrease in the demand for health services for the target population presently being seen at the Milwaukee Indian Health Board.

Statement of the Montana Inter-Tribal Policy Board

In this statement, the Montana Inter-Tribal Policy Board present its views on the President's proposed budget for the Bureau of Indian Affairs, the Indian Health Service, and Indian education. On behalf of all the Montana tribes, the Board expresses its grave concern over the proposed budget, which would reduce or eliminate many important programs and contains virtually no real increases.

We begin with the proposed budget for IHS, which shows a shocking disregard for the health needs of the Indian people.

1. IHS Clinical services: On paper, IHS proposes an additional $27 million for clinical services, which is an apparent 4 percent increase. But because medical costs have increased 13 percent over the last year, in real terms IHS is proposing a 9 percent decrease. Furthermore, much of the additional $27 million would supposedly be derived from third party reimbursements, such as Medicare and Medicaid. IHS projects that it will receive $65 million in reimbursements next year. This is a completely unrealistic and unsupported figure. The FY 1984 reimbursements were far below this amount, and virtually every factor that will affect the level of reimbursements -- such as probable Medicaid reductions by the states -- points toward lower reimbursements, not higher ones.

Thus, even the grossly inadequate increase IHS has proposed for clinical services would really be a substantial decrease. We urge the Committee -- as it did last year -- to ignore the IHS projections for reimbursements, and support an increase of at least 13 percent for clinical services.

The Montana tribes are all particularly concerned with the prevention and treatment of alcoholism. This terrible problem increases crime, unemployment, and family strife on the reservations, and also creates increased demand for overburdened programs such as IHS clinical services and BIA General Assistance. IHS-funded alcohol programs have made some inroads on these problems, but need to be greatly expanded. We are therefore very disappointed that the proposed budget of $24.6 million for alcohol programs would force our member tribes to shrink these programs, not expand them. We urge the Committee to support a budget of at least $30 million for these crucial programs.

2. IHS contract care: Nationwide, the backlog of contract care cases is over $20 million. The bulk of this backlog consists of surgical cases. As we understand it, IHS will not pay for surgery unless there is a "life-or-limb-threatening" situation. This means that many serious problems, such as cataracts, gallstones and orthopedic conditions go uncorrected.

The IHS budget makes no attempt to address this problem. We urge the Committee to support, as it did last year, increases in contract care that will remove at least part of the backlog.

3. Indian health manpower: The Board strongly opposes this Administration's efforts to reduce health scholarships and eliminate funds for recruitment and the INMED program. The Billings IHS area is chronically understaffed. There is great difficulty in filling professional positions, particularly for physicians. The long-term solution to this problem is increased funding for training of Indian health professionals. Right now, intensified recruiting efforts are needed. The proposed budget would not provide either a long-term or short-term solution.

We would understand the Administration's reluctance to fund these programs if they were ineffective, but in fact, the opposite is true. For example, since 1980, not a single student assisted by INMED has dropped out of school. This is unheard of for students of any cultural or economic background. We urge the Committee to take statistics such as these into account and to restore funds for scholarships and recruitment.

4. IHS facilities construction: Once again, the Administration proposes to eliminate all funds for facilities construction. This callous disregard is simply beyond belief. As a group, the Montana tribes are in desperate need of new hospitals and clinics as well as sanitation facilities. We beseech the Committee to continue to reject the potentially disastrous elimination of IHS construction funds.

5. IHS community health representatives and urban health: The Administration is once again seeking to eliminate CHR and urban health programs. We are grateful for this Committee's support for the CHR program, and are counting on your continued support.

CHR activities include follow-up visits for surgical patients and clinics for patients with hypertension, diabetes, and ENT problems. The program is extremely cost effective because it catches potentially serious problems at an early stage and encourages patients to seek treatment who otherwise would wait until their conditions became acute. In addition, the Board opposes the proposed cut in funds for public health nurses, who work closely with the community health representatives.

We also strongly support the urban health program. Members of all the Montana tribes go to the cities to find work, and need health care. If the urban program were eliminated, many of our urban members would simply go without health care, and then return to the reservations if a serious problem developed. This is obviously not cost effective.

We now turn to the budget for the Bureau of Indian Affairs and Indian education.

1. Indian education: All of the Montana tribes are firmly convinced that education is the best hope for their children to achieve a better standard of living. The tribes rely particularly on the Johnson-O'Malley and Title IV programs to provide a high quality education. Therefore, we are concerned that the President's proposed budget would leave both of these programs at current levels, which of course means a real decrease.

Given the decreases of the past three years, our schools simply cannot absorb any more cuts. Too many important programs have already been eliminated. These include tutoring and counseling programs -- the very programs that enable Indian children to stay in school and improve their academic performance.

The Board is also concerned that the President's budget does not request any funds for school construction under the impact aid program. This is supposedly because so much money was appropriated last year for this program -- yet the Department of Education acknowledges that for schools serving Indian children, there is an unmet need of $195 million.

We simply do not understand the current Administration's attitude toward funds for education. We realize that President Reagan wants states and local communities to take the primary role in school funding, but by definition, communities that receive impact aid cannot meet their own needs for education funds. We urge the Committee to support an appropriation of at least $20 million for impact aid school construction.

There are five tribally controlled community colleges in Montana. According to the BIA budget justification, the allocations for all three colleges would be reduced under the President's proposed budget, whereas the number of students would either stay the same or increase. We urge the Committee to support an appropriation for community colleges that is consistent with the level mandated by the FY 1983 Senate Appropriations Committee report on appropriations for the Department of the Interior.

Also, we request the Committee to provide funds for the new endowment program authorized by Congress last year. The BIA budget justification does not even mention this program, which would help the colleges attract private sector funds.

Finally, the Board objects to the proposed cut in funds for adult education. The BIA blames tribal budget priorities for the proposed cut, which is simply ridiculous. Instead, it should acknowledge that its budget is too low fairly to reflect tribal priorities. We urge the Committee to support an increase in adult education programs.

2. Irrigation: Several Montana tribes have an urgent need for irrigation funds. Their irrigation projects are either unfinished or are badly in need of renovation and repair. Yet, the proposed budget contains no funds for construction of small irrigation projects and in general contains inadequate funding for irrigation. We request the Committee to support increased funding for irrigation maintenance and construction.

3. Housing: The BIA proposes to cut the budget for the HIP program. Under the proposed budget, the BIA would build and renovate fewer homes next year then it has this year. How can this be justified when there is a shortage of decent, safe, and sanitary housing throughout Indian country? Many Montana Indians live in substandard conditions. Overcrowded and unsafe housing is common.

Once again, the BIA is blaming tribal priorities for its own proposed cut. We urge the Committee to reject the BIA's spurious justification for its proposed cut and to support a substantial increase in funds for the HIP program.

4. Land Acquisition: Once again, the BIA has requested no funds for land acquisition. Everyone pays lip service to the need for land consolidation, but the plain fact is that without funds to purchase land, significant land consolidation will never occur. We hope that the Committee will look at this issue carefully during the coming weeks, and provide needed financial assistance.

The Board appreciates the Committee's careful consideration of its testimony.

MONTANA INTER-TRIBAL POLICY BOARD

By: Caleb Shields, Chairman

Testimony of the
Navajo Nation
on the
President's Fiscal Year 1985 Budget
for the Bureau of Indian Affairs
Before the
Senate Select Committee on Indian Affairs

February 21, 1984

Mr. Chairman, members of the Committee, my name is Rodger Boyd. On behalf of Chairman Peterson Zah and the Navajo Nation, I want to extend our thanks to the Committee for this opportunity to comment on President Reagan's FY '85 Budget for the Bureau of Indian Affairs (BIA). We will be submitting detailed written comments and requests to the Committee in the next few weeks as a followup to our comments here today. *

The FY '85 BIA budget request constitutes strong evidence that the BIA intends to default on its statutory and Treaty duties to the Navajo Nation. This appears to be another case of the BIA saying that it has adequate funds to meet its trust duties while in reality the funds sought are several tens of millions of dollars short of actual need.

Indian Education programs have already sustained severe funding cuts in previous fiscal years. For FY '85 the BIA is proposing to hold most programs at their FY '84 levels. This means that there will be inadequate funds for Navajo education. Yet, the BIA has proposed increases for its own administrative costs. At the time, a $525,00 reduction is proposed for Navajo Community College (NCC). If this reduction becomes effective, NCC will be required to cut programs at the very time when enrollment is steadily increasing. The Navajo Tribe is providing NCC with $1.5 million from its own general revenues in FY '84, as it did in FY '83. Over the last five years, the Tribe has invested $4.85 million in the College. We ask the Congress to fully support NCC by restoring the cuts proposed for FY '85 and adding funds to the FY '85 budget to match the Tribal contribution to the College.

Continuing education program funding at FY '84 levels will also severely impair the Bureau's ability to provide safe and sanitary school facilities. The total budget request for facilities improvement and repair is about $40 million. The need at Navajo alone is nearly $300 million. The BIA budget request, if approved, would simply delay or defer essential facilities improvement and repair. In the long run this will result in significant added costs to the federal government as the required repairs increase in both quantity and quality. We ask that the BIA be directed to seek adequate funds to meet their duty to operate and maintain safe and sanitary school facilities on the Navajo Reservation. We would also like to remind the Committee that the United States has an obligation under the Treaty of 1868 to provide not only facilities but also qualified teachers for Navajo students.

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* All of the projected and estimated funding needs stated in this testimony are shown in 1984 dollars.

The Navajo Tribe would also like to go on record today with respect to the provision of forward funding. The lack of timely financial assistance causes continuous disruptions in all BIA programs. While the need for forward funding is most acute in education programs, its use would be beneficial in every one of the Navajo Tribe's P.L. 93-638 contracts.

Since the passage of P.L. 93-638, the Indian Education and Self-Determination Assistance Act, the Navajo Tribe has contracted all or part of several BIA programs. Without exception, the funds for these programs are inadequate in FY '84 and will continue to be inadequate under the President's budget for FY '85. For example:

1. The social services contract for FY '84 provides the Navajo Tribe with $26.8 million. Our actual needs are in the range of $35.6 million. Similary, the FY '85 request for about $105 million for nationwide social welfare needs will lead to a serious funding shortfall in the Navajo Area. During FY '82 and '83 the Navajo Tribe expended about $1.75 million of its general funds to keep this P.L. 93-638 social services contract solvent. These funds still have not been repaid to the Tribe. Now, the BIA is proposing reprograming $7.4 million for school construction on the Alamo Navajo Reservation in order to meet its FY '84 nationwide funding shortfall for all social services programs. This is unfair to the Alamo Navajo people and Indian people everywhere. The $7.4 million of reprogramed funds would not even cover the projected $9 million shortfall for the social services programs at the Navajo Area for this year, much less the overall national need. We fail to see why the Alamo Navajo should be forced to delay or defer their badly needed school to make up for the failure of the BIA to request appropriate funds in the first place.

2. In the area of law enforcement, the Navajo Tribe has expended about $50 million of its general revenues to meet needs over the past ten years. The BIA has not even matched this funding effort. For FY '84 the Navajo Tribe is providing about 55% of the funds being expended for law enforcement. Even with the expenditure of Tribal funds, there is a need for approximately $15 million on FY '84 to meet operating costs and to bring the Tribe into compliance with the P.L. 93-638 contract terms and federal regulations. In the next few years it is projected that the Tribe will require about $19 million annually for law and order operations. In addition, we will require about $35 million for adult detention facilities and about $12 million for juvenile facilities. At present, there are no Navajo juvenile offenders detention facilities. None of the jails on the reservation meet even minimal federal standards for health and safety. The Tribe will spend hundreds of thousands of dollars from its own general revenues in FY '84 to attempt to meet emergency repair requirements in the existing Tribal jails. The Bureau is not seeking any additional funds for operation or construction in FY '85.

3. The Navajo Courts are slated for a one-third cut in funding under the President's FY '85 budget. This comes at a time when the workload of the Courts is actually increasing. More than half of the Navajo population is under age 18. Yet the BIA has never provided adequate funding for juvenile justice programs. The Navajo Tribe is funding a modest juvenile justice program from general funds in FY '84. With the federal funding cuts proposed for FY '85 the Courts will either require greater Tribal funds or simply cease to function as an effective Court system.

4. The housing program is slated for a $2.2 million cutback in FY '85. This will result in an overall reduction in the housing services available to the Navajo people. With the Tribe's population growth and the historic lack of adequate housing programs on the reservation, the opportunity for Navajos to live in decent, safe and sanitary housing is becoming more elusive with each passing year.

5. In FY '83 the BIA failed to pay the Navajo Tribe its negotiated indirect cost rate on P.L. 93-638 contracts. The Navajo Tribe has been advised through contract modifications that the Bureau will only pay 75% of the indirect cost rates established for FY '84. The budget request for FY '85 will further reduce funds for indirect costs. These continual reductions severely impair the financial and management resources of the Tribe.

Based on these few examples, we believe that it is clear that the President and the BIA are in the process of reneging on their established trust duties. The P.L. 93-638 contracting process is quickly becoming a device for Tribal self-termination. Unless this situation is corrected by the Congress in FY '85 the Navajo Tribe will have no choice but to retrocede these contracts and initiate legal proceedings against the BIA to require compliance with federal laws enacted for the benefit and welfare of the Navajo people. The Tribe simply lacks the financial resources to allow it to continue to financially assist the BIA [illegible] comply with its federal trust responsibilities.

To say the least, we are disappointed that the Bureau and Navajo-Hopi Indian Relocation Commission (NHIRC) have failed to request funds for the development of the Former Joint Use Area (FJUA). The Bureau is seeking about $3.8 million in FY '85 for the operations of the NHIRC. This is a reduction of about $175,000 compared to FY '84. This is puzzling to us in view of the duty imposed on the Bureau and the Commission to assist both the Navajo and Hopi Tribes with development of the FJUA reservation. This duty is imposed by the Navajo Hopi Rehabilitation Act and the Navajo Hopi Land Settlement Act. As many of you know, the FJUA has experienced little or no development over the last twenty years due to the land dispute. Both the Navajo and Hopi Tribes are committed to full cooperation to ensure proper development of the FJUA. This cooperative spirit has already led to the start of construction of a new high school at Hopi. A new clinic is desperately needed. The Turquoise Trail road construction project needs special project status funding and Congressional support to become a reality. This highway, once constructed will provide vital infrastructure for the FJUA and will further ease tensions between the two Tribes. We ask your support and assistance to require the Bureau and the Commission to fully discharge their responsibilities for the development of the FJUA.

The BIA is proposing to continue to apply a band aid solution to Indian reservation economic development. There is a serious lack of comprehensive reservation development planning that would include coordinated programs for training and technical assistance, employment assistance and capital formation. While $5 million in new funds is being requested in FY '85 for economic development projects, employment assistance is being cut $554,000, the loan guarantee program is being deleted from the Credit Program. Minimum amounts are being requested for training and no funds are requested for technical assistance. Most of the reservations, including Navajo lack adequate capital, management expertise, trained work forces and the overall capacity which would enable the People to move toward more self-sufficient economies. The Navajo Nation is confronted with a staggering 35% unemployment rate, per capita income of $2,414 compared to the National average of $7,311, and where 49.7% of Navajos are living below the poverty level compared to the National average of 11.7%. The Bureau's FY '85 budget proposal reflects an apparent misunderstanding of its own past failure - not effective solutions to economic problems.

The Bureau also professes to be seeking adequate resource protection funds. The reality is that the funds sought, if appropriated, would be wholly inadequate to meet the following Navajo needs:

1. Funds for cadastral surveys would not be adequate to complete the survey of the Navajo Reservation in FY '85. The reservation has never been surveyed and current efforts by the BIA will take several more years to complete at the present levels of funding. This will result in continued difficulty in planning and implementing land use plans.

2. Funds for archeological clearances are inadequate. Based on the FY '85 BIA budget request, the Navajo Tribe can reasonably expect to continue to encounter long delays in the competion of federally mandated clearances. This has the substantial effect of impeding economic development and self-sufficency for the Navajo Nation.

3. Similarly, the funds sought for forestry will not yield any real reduction in the forestation backlog in the Navajo Nation. At present funding levels, the Navajo backlog will continue to exist for about fifty more years - not the ten year time span stated in the proposed BIA budget. The Navajo Tribe is spending about $600,000 of its own general funds for forest management in FY '84. This exceeds current and projected BIA expenditures in the Navajo Area.

. Funding for mineral resource inventories and development monitoring and enforcement are wholly inadequate. The Navajo Nation still lacks the support and assistance required to know exactly what resources the Tribe owns. The lack of required assistance to thoroughly monitor on-going resource development for compliance with lease terms and conditions is also a matter of great import for the future welfare of the Tribe.

5. The BIA is not seeking adequate funds for land title record keeping and clearances. The Navajos will continue to suffer from the lack of timely and accurate land status information in FY '85.

6. Funds for Fish and Wildlife are inadequate. The Navajo Nation receives about 1% of the annual nationwide BIA appropriation for fish and wildlife. In the current fiscal year the Tribe is spending about $225,000 of its general revenues or nearly twice as much as the BIA. The outlook for 1985 shows no improvement in the level of BIA support.

7. Necessary funds for water litigation on the San Juan River and the Little Colorado River are not being specifically sought by BIA in FY '85.

In the current fiscal year, the Tribe received $137,000 from the BIA for work on the San Juan River. The actual need is for an additional $427,250 in FY '84 and about $1.7 million in FY '85. These funds will primarily pay the experts necessary to develop our proof. On the Little Colorado, we need $367,005 in FY '84 and $1.1 million for FY '85. These funds are urgently needed in order to enable the Tribe to meet judicially established deadlines for submission of its claims. In the same regard, we would ask the Committee to note that both the Navajo and Hopi Tribe believe that funding for the Little Colorado litigation should be provided directly to each Tribe. We do not accept the determination of the Bureau and the Justice Department that there is no conflict-of-interest between the two Tribes relative to rights in the Little Colorado River.

You will notice that the Bureau is not seeking any funds in FY '85 for construction of the Navajo Indian Irrigation Project (NIIP). The Tribe is requesting $1.5 million for FY '84 and $17.5 million for FY '85. This project was authorized as part of P.L. 87-483 on June 13, 1962. It is interesting to note that the San Juan - Chama Diversion Project was concurrently authorized by the Congress. This project was completed years ago and San Juan River water is being stored and used in the Rio Grande Valley. On the other hand NIIP is only about 40% complete. The BIA continues to fail to carry out the intent of Congress with respect to NIIP. For FY '85 the BIA apparently intends to continue fail to secure funding for NIIP. We ask that you provide the funding needed.

We also have a need for funds to assist Navajo Agricultural Products Industry (NAPI). The Assistant Secretary for Indian Affairs agrees with us that NAPI has never been properly capitalized. During the past year, in conjunction with Mr. Kenneth Smith and his staff, the Tribe has changed the management of NAPI and renegotiated the NAPI debt. These actions will save NAPI and the Tribe several millions of dollars over the next five years. Even with these improvements NAPI is still in need of adequate capitalization. We are requesting $1.0 million for NAPI in FY '85.

We note that the Bureau's proposal for Automatic Data Processing (ADP) funding will further unnecessarily reduce program funds available for direct service delivery. Under the Bureau's plans, every program dollar would be subject to a levy for ADP. This will lead to problems of accountability and control. The ADP costs should be identified as a line item in the budget. There is no justification for using funds otherwise intended for services to create an internal funding mechanism which is not subject to reasonable controls and accountability.

Similarly, in the area of road construction we would like to note that the Bureau is attempting to use 6% of the Tribe's Highway Trust fund entitlement for administrative cost. The Navajo Tribe recommends that the Bureau be directed to request adequate funds for administration under its general administrative budget.

Finally, we would like to raise with you our concern about the inequitable distribution of funds appropriated for BIA programs. During FY '82 and '83 the Navajo Area consistently received less than a fair share of BIA dollars compared to all other Areas. This is true regardless of the measure chosen to compare fund distributions. For example, the FY '83 natural resources program the Navajo Area received $.71 per acre of Navajo land compared to $6.18 per acre of Portland Area Tribal lands and the Navajo Area received $9.26 per capita for trust responsibilities while the Portland Area received $80.00 per capita. We are requesting that this matter be investigated further and that appropriate corrections be made to ensure equity in the distribution of appropriated funds in FY '85 and future fiscal years.

Conclusion

With increasing frequency the Navajo Nation is being called upon to fund services and programs mandated by federal laws and the Treaty of 1868. The basic institutions of Tribal self-governance are threatened by the lack of federal funds. Navajo lands and resources are suffering from lack of proper management. The Tribe lacks the information and assistance necessary to monitor and enforce land and resource use requirements. We still do not know if mineral lessees are paying even the minimal royalties under their BIA negotiated and approved leases.

The Navajo people are eager for education and knowledge. The Treaty of 1868 and other federal laws require the United States to ensure an adequate education for all Navajos. Performance of these duties is being frustrated due to lack of funds.

Navajos found to be eligible for social services programs are regularly denied assistance due to lack of funds. Comprehensive social welfare program planning is impossible. Innovative workfare concepts cannot be implemented. In the area of law and order, the Bureau is not meeting even one-fourth of our actual funding needs. The Bureau has not addressed our funding needs for detention facilities construction.

The Navajo Tribe cannot and will not allow the BIA to continue to default on its trust duties. If President Reagan is earnest in his stated policy goals for Indian Tribes, then the BIA has not served him or the Navajo Tribe well. Progress toward Tribal self-sufficiency will only come through a clear recognition of the trust duties required of the BIA and a commitment by the BIA to secure adequate funds for the discharge of those duties. The BIA's FY '85 budget proposal will not allow the Bureau to comply with its duties as the trustee for the Navajo Nation.

Testimony of the
Navajo Nation
on the
President's Fiscal Year 1985 Budget
for the Indian Health Services
Before the Senate Select Committee on Indian Affairs

February 23, 1984

Mr. Chairman, members of the committee, I am Peterson Zah, Chairman of the Navajo Tribal Council. I appreciate the opportunity to present to you the concerns of the Navajo Tribe regarding the FY 85 budget proposed by President Reagan for the Indian Health Service.

The Navajo Tribe will not negotiate or barter the health status of the Navajo People. For your part, you must do with the proposed appropriation request what is legally and morally right - if the budget is found wanting in terms of the promise of health parity for Indian people stipulated in P.L. 94-437, the Indian Health Care Improvement Act, then you must reject — as we have done — the request as unacceptable.

Under my administration, we have embarked on a new path of partnership with the Navajo Area Indian Health Service (NAIHS). We respect and admire both the Navajo and non-Indian health professionals who serve our people with commitment and dedication. Area leadership and the entire health care delivery system has been strengthened by the close working relations between IHS, the Navajo Division of Health Improvement Services, the Health and Human Services Committee of the Navajo Tribal Council, and the Navajo Area Indian Health Board.

Together, NAIHS and the Navajo Tribe have identified the following priority needs which should be addressed in FY 85.

1. Dilapidated health care facilities require renovation in order to meet health care standards and licensure requirements. The projected cost for health care facilities renovation on the Navajo Reservation is $24 million.

2. All temporary staff quarters should be replaced, and new quarters are required to meet staffing needs. A total of 332 units of staff housing are required. The projected cost for new staff housing is $21.6 million.

3. According to the IHS Resource Requirement Methodology, Navajo Area is 1,342 positions below optimum staffing levels. This does not include additional positions to absorb the loss of National Health Service Corps staff from reservation community clinics. 248 positions are needed to bring NAIHS back up to even FY 80 staffing levels. The projected cost for restaffing is $10 million.

4. IHS clinics which have been closed or which have been forced into drastically reduced service levels should be reopend and restaffed.

The projected cost for restoring these clinics to full operation is $1.6 million.

5. $3.6 million is urgently needed to modernize and upgrade existing IHS equipment used in IHS hospitals and clinics.

6. Emergency medical services needs, including vehicle replacement, maintenance and equipment costs, must be met to maintain emergency health care delivery standards. The Navajo Tribe estimates that $1.8 million is needed for these purposes in FY 85.

7. In FY 83 there was a serious backlog of water and sewer projects under NAIHS Environmental Health. At the current funding rate, it will take ten years to complete this work. It should be done now. $130 million is needed to remove the backlog and provide adequate water and sanitation services for the Navajo People in FY 85.

What the Navajo Tribe finds distressing, and I hope you do as well, is that we do not know whether the proposed IHS FY 85 budget appropriation is sufficient to meet these needs. The reason for this is that Indian Health Service headquarters has not had and still does not have a rational plan for the distribution of resources. As you may know, Navajo Area continues to contribute 25% of the total IHS clinical workload and continues to receive only 13% of the IHS annual appropriation. Navajo is the largest tribe in the United States with 160,000 members. Yet we receive only 9% of IHS alcohol program dollars. We have asked for at least two years for an explanation of how IHS alcohol program funds are allocated. None has been forthcoming. The lack of a fair plan for distribution of funds appropriated to IHS poses a serious threat to the health and well being of the Navajo people. We ask that you investigate this matter and require the IHS to fairly distribute its appropriated funds.

Unquestionably, we oppose certain specific FY 1985 proposed budget items, particularly the elimination of facility construction funds, the elimination of Community Health Representative Program funding, and the elimination of tribal management development funds. Health facilities are critical because of the isolated, rural Navajo life-way. There are no known alternatives. Clearly, the $7 million second phase of construction at the Crownpoint Hospital must be funded. Moreover, our own communities are willing to share the cost of such operations, as in the case of Chilchinbeto residents who are weaving a giant Navajo rug for sale. The interest income on the invested revenues from the sale will help provide support for a future community clinic planned by these concerned Navajo citizens.

Also, IHS and Indian people are now designing an evaluation tool which will document what we Navajos already know: the home health function of the Community Health Representative Program works and the Navajo people are healthier today because we have these well-trained, dedicated Navajos working among the People.

Finally, the elimination of tribal health management development funds from the FY 85 budget request strikes a blow at the very heart of Indian self-determination as promised in both P.L. 93-638 and P.L. 94-437. But P.L. 94-437 has provided only a portion of the needed funding for health programs which tribes might want to contract for under P.L. 93-638, and the latter continues to carry with it overly-restrictive requirements. Thus, we have chosen to continue to utilize tribal health management development funds for the development of administrative and managerial capability independent of the issue of contracting for IHS direct care functions. We believe the liability for badly-funded IHS "638" contracts should remain with the Federal government. We prefer to look instead for other creative, innovative alternatives, such as contract health care agreements with IHS for the provision of clinical services in community facilities.

Conclusion

In closing, let me say that I believe it is vitally important that we pursue self-sufficiency for the Navajo Nation. But not at the cost of diminishing the trust responsibility of the Federal government. We have valuable land, valuable resources, a valuable tax base; our dollars continue to support the businesses in off-Reservation bordertowns. Even now we contribute over $3 million of Tribal general revenues toward our own health care. But the Reagan Administration does not understand the trust relationship and continues to instruct its people in the Department of Health and Human Services, the Public Health Service, and even in the Indian Health Services that health budgets are to be cut, health facilities and positions are to be reduced, health services are to be curtailed. The president has said he wishes to support tribal self-government as the goal of Indian self-determination, yet he deprives us of the resources needed to accomplish this end.

I ask for your understanding and your assistance. Be true to your ancestors as we are to ours. By combining Western medicine and traditional Navajo healing in a strong community organization, our efforts are sure to result in improved health for ourselves and our children. This is how Navajos have survived. It is our strength against all adversity. I believe unequivocally that the Navajo way is indestructable. We will overcome. We will endure. And we will make the future a better place for our children to live.

THE NAVAJO NATION
WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETERSON ZAH
CHAIRMAN, NAVAJO TRIBAL COUNCIL

EDWARD T. BEGAY
VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

March 19, 1984

Honorable Mark Andrews, Chairman
Senate Select Committee on Indian Affairs
SH-838 Hart Senate Office Building
Washington, D.C. 20510

Attention: Pat Zell, Staff Attorney

Dear Senator Andrews:

On behalf of Chairman Peterson Zah and the Navajo Nation I am submitting for the record additional comments with regard to the fiscal year 1985 Indian Health Service budget request. Since submission of our original testimony to your Committee IHS has developed its national facilities construction priorities listing which includes two Navajo projects. However, the Administration in its FY 85 IHS budget request is proposing to eliminate the facilities construction and management line item in their FY 85 budget.

We are requesting funding for the two projects located in Shiprock, New Mexico and Ft. Defiance, Arizona. We are also requesting second-phase construction funds, not proposed in the Administration's FY 85 IHS budget, to complete construction of the hospital located in Crownpoint, New Mexico. We seek your support and request your assistance in this urgent matter.

If you have any questions concerning our request please contact me at 202/ 775-6393.

Sincerely,

Robert J. Begay

Robert J. Begay, Director
Navajo Nation Washington Office
1725 K Street NW, Suite 703
Washington, D.C. 20006

Enclosures

cc: John Hubbard, Director
Division of Health Improvement Services
Renee Wilson, Staff Assistant
Office of the Chairman/Vice Chairman

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Additional Comments with Regard to the 1985 Indian Health Service Budget Request Before the Senate Select Committee on Indian Affairs

Mr. Chairman, members of the committee, my name is Peterson Zah, Chairman of the Navajo Nation. I wish to present an additional statement for your consideration regarding the FY 1985 Indian Health Service (IHS) budget proposed by the Reagan Administration. I appreciate this opportunity to address a matter of utmost importance to the health status of the Navajo people.

As you know, the Administration has proposed the elimination of health facilities construction funding from the FY 1985 IHS budget. In my earlier statement to the committee, I expressed strong opposition to this move and noted that the second-phase construction of the new IHS Crownpoint Hospital should be a high priority for committee action on the FY 1985 appropriations bill.

Since this time, we have learned unofficially from IHS that the system, by which proposed new construction and existing facility renovation projects are ranked for priority attention by IHS, has only last week been revised to include two additional Navajo Area construction projects. The major facility renovation at Shiprock, New Mexico, has been ranked second on the national priority list, at an estimated cost of approximately $15.3 million. Ranked fourth on the national list by IHS is the replacement of the existing facility at Fort Defiance, Arizona, estimated to cost approximately $13.5 million.

In addition to this new information, IHS has provided us a revised figure for the completion of construction of the new inpatient facility at Crownpoint, New Mexico, which has already been funded for initial construction in the present IHS appropriation. The new estimate for the completion of the IHS Crownpoint Hospital is approximately $9.1 million.

Working together with Indian Health Service, we will provide the committee with additional, detailed information regarding the justification of each of these health facilities construction projects.

As I stated earlier, these facilities are sorely needed by my people. There are no alternatives to the care that is provided by IHS in these locations. I am aware of the philosophy and policy of fiscal restraint of the Reagan Administration. The Navajo people continue to suffer as a consequence of the Administration's efforts to abrogate Federal trust responsibility for Indian health care through the practice of uniform spending reductions in all Federal programs. However, these health care facilities and clinical services provided by IHS are critical to the health, well-being, and future of the Navajo people. Your support on our behalf is imperative, and I respectfully request your assistance on this most urgent matter.

Thank you.

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Testimony of the
Navajo Nation
on the
President's Fiscal Year 1985 Budget
for the Office of Indian Education
Before the Senate Select Committee on Indian Affairs

February 23, 1984

Since 1868, when the Navajo Nation signed a treaty with the United States, we have looked to the government of the United States to be our trustee in meeting the educational needs of the Navajo people. In recent years, when major cuts were proposed for Impact Aid and the Title IV programs was targeted for elimination, we have been concerned that the United States might be abandoning the committment that was made to our people to provide for their education. We are pleased to see this year that our basic operational and supplemental programs within the Department of Education are relatively intact. Nevertheless, we do continue to have specific concerns about the inadequacy of funds for Indian education.

School Construction Under P.L. 81-815

We are concerned that the Department of Education apparently fails to recognize the ongoing nature of the facilities construction needs for Impacted public school districts on the Navajo Reservation. No new funds are sought for public school construction under P.L. 81-815. Yet there is a critical need on the Navajo Reservation for new construction.

The Chinle School District is wholly within the boundaries of the Navajo Reservation in Northeastern Arizona. It covers one of the largest geographical areas of any school district in the continental United States. It has a student body of over 3,400. Chinle High School was constructed in 1963 with a capacity of 315. This year it has enrolled 970 students. Chinle Junior High School was constructed in 1968 with a capacity of 420. This year it has enrolled 513 students. Chinle Elementary School is "at capacity". However, it must rely on temporary portable structures for supplemental programs such as Chapter 1 and special education. Chinle Primary School houses 732 primary and kindergarten students in facilities leased from the BIA, which have been condemned as unsafe due to shifting ground, boiler and gas line hazards and structural instability. The 732 students in that school will be without any facilities at all next year unless emergency measures are taken at once.

There could be other examples given of inadequate structures and unserved or underserved communities on the Navajo Reservation. The example of the Chinle School District states the case as clearly as any. There is an urgent need for public school construction funds under P.L. 81-815. Congress is urged to fund this category, particularly to provide funds to relieve the critical facilities conditions in the Chinle School District and to provide such interim assistance to this school district as is necessary to tide the district over until adequate facilities can be constructed. The Navajo Tribe estimates that approximately $21 million is needed to construct a new high school. $12 million is needed to construct a new primary school at Chinle or to renovate the existing high school facilities so that with the addition of a new high school all children in the district could be adequately served (the old high school would be converted to the primary school.)

Impact Aid Under P.L. 81-874

Our concerns in regard to Impact Aid is the 25% add ons to the base Impact Aid grant for Indian students, particularily in states with equalization laws. The 25% add on is meant to meet the additional costs of educating Indian students residing on the reservations. Yet, in states with "approved" equalization plans, the additional funds are "equalized" throughout the state. Currently the State of Arizona is taking steps to remedy this situation and we commend them on their efforts. However, we believe that the protection of the 25% set aside from state equalzation should be a feature of the Federal law and therefore applicable to all states with equalization laws. We recommend specific appropriations language expressing the intent of Congress that these additional funds are not to be included as local revenues for equalization purposes but shall continue to be available to local Indian school districts without regard to state equalization laws.

Title IV -- Indian Education Act

We feel that Title IV funding should be restored to at least its FY 1982 level of $77,852,000 million to restore services which have been lost due to prior cuts in the program. This program is very effective with both school officials and Indian parents because, unlike most Indian education programs, it is forward funded. It has been subject to excessive cuts in prior fiscal years. These cuts are still reflected in the current appropriation request.

One distressing aspect of the proposed Title IV appropriation is the reduction in the adult education component of Title IV. A reduction of $202,000 has been recommended in the BIA's adult education budget. We question the justification for major cuts in Adult Indian education programs and the BIA's justification for prioritizing economic development for tribes. Adult education is a necessary component of economic development. We request that these funds be restored.

We have our additional concern with Title IV which is not directly related to funding. That is a concern with regulatory changes in Title IV recently proposed by the Department of Education. Two of these changes would eliminate the requirement that a majority of the Title IV Parent Committee be Indians, and that the Chairman of the Parent Advisory Committee sign off on the Title IV grant proposal. The Navajo Tribe feels that both of these proposed changes would seriously dilute the effectiveness of Title IV and requests that this Committee oppose them.

Funding Under Title VII -- The Bilingual Education Act

We are concerned that no increase in funds is sought for Title VII, the bilingual education program, despite the fact that the Department of Education anticipates an increase in the number of students and programs served. We are also concerned that proposed changes in the Bilingual Education act may render the program less appropriate to Indian bilingual education programs. Navajo bilingual education programs prepare students for success in English by making them successful in their own Navajo language. We would be opposed to any changes in Title VII which make this approach to bilingual education unsuitable for funding.

Changes Proposed in the Vocational Education Act

We note that the Department of Education is proposing a major change in the structure of the Vocational Education Act. It is unclear from the language of the budget documents what impact these changes would have on the 1% set-aside for Indian vocational education. The Navajo Tribe is opposed to any change in the Vocational Education Act which would dilute the 1% set-aside by including it in a general block grant, or by pooling it with other "special needs". The BIA is authorized to match the 1% set-aside in the Department of Education vocational education program, but it has failed to do so.

Impact of Reductions in P.L. 94-142 Personnel Development Funds

We are very concerned with the proposed reduction in funding for personnel development under the Department of Education's special education program. There is a critical need on the Navajo Reservation for Navajo special education professionals. We need teachers trained to the masters level, and related specialists such as educational psychologists, speech pathologists, occupational therapists, physical therapists and the like.

The Navajo Tribe is currently operating a program under the personnel development component of the Department of Education's special education program to train special education teachers to the masters level. It is estimated that over a three year period the program will train 30 to 40 teachers, with approximately 15 of these receiving a masters degree by the end of the program. Navajo Community College has a related program training speech pathologists and educational psychologists. That program will serve 15 to 20 students and produce 5 to 10 graduates by the end of the program.

The Navajo special education personnel training programs need to continue and expand. The present projected graduates do not meet the current demand for trained professionals. As of this year there is a need for 51 additional graduate professionals in special education related fields. We request that this Committee assist us by restoring the funds necessary for these professional training programs to continue.

Concerns with Funding for the Navajo Vocational Rehabilitation Program

The Navajo Vocational Rehabilitation Program is funded under Section 130 of the Vocational Rehabilitation Act. This section is essentially designed to fund "experimental" tribally-operated programs of vocational rehabilitation. The Navajo Vocational Rehabilitation Program has been operating since 1978. It is no longer an "experiment". Yet it continues to receive funding under Section 130. Each year the Navajo Vocational Rehabilitation Program has had to make certain that the appropriation under section 130 specifies that the $650,000 appropriated for Section 103 (the amount has not increased) is designated for the Navajo program.

The Department of Education has now informed the Navajo Vocational Rehabilitation Program that it will put Section 130 funds appropriated for FY '84 out for competitive bid. This would contradict the intent of Congress and

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would result in a serious reduction of services to Navajo vocational rehabilitation clients.

We request that this Committee assist the Navajo Tribe to receive the funds appropriated for FY '84 and to ensure the provision of adequte funds for FY '85.

Concerns with Forward Funding

We are particularly concerned with the financial problems caused for schools in the Navajo Nation by late arrival of federal funds. Impact Aid forms a basic source of funds for reservation public schools. Yet the amount of Impact Aid funds available for a particular school year may not be known until January or later. This creates financial confusion and hardship for all our schools thereby preventing effective planning. We request that Congress plan for a staged process of forward funding for Indian education programs, starting with either Impact Aid or the Indian Student Equalization Formula, and forward funding another program the next year, until all Indian education programs are forward funded.

Concern with Excellence

This year the U.S. Department of Education is concerned with excellence. So is the Navajo Nation. We want educational excellence for our children and young people. We want our children to have an education equal to any availabe in this country. We want our young people to have opportunities for college, for vocational education, for graduate training. We know that we cannot develop or even survive as a nation if these things do not take place.

We want to encourage excellence by encouraging local control and local involvement of our Navajo People in education. We need to strengthen our parent committees, not weaken them. We need to educate our parents as well as our young people.

Quality education requires modern facilities, equipped to provide the latest technological education such as computer science. Excellence costs money. But it is an investment that pays for itself in the development of productive, self-reliant young adults. We request that this Committee do everything necessary to ensure the provision of adequate Indian education funds so that the Navajo People may receive the quality of education which they both need and deserve.

SUPPLEMENTAL ISSUE PAPERS--SPECIAL TOPICS

NEED FOR CONGRESSIONAL DIRECTIVES IN SUPPORT OF NEW SCHOOL STARTS

The regulations implementing PL 95-561 were published in final form on October 26, 1979. Under § 39.22 of those regulations, the Secretary of the Interior was required, within one year of that date, to "develop uniform procedures and criteria for the authorization of new schools where no Bureau funded or operated school program (had) previously existed, and for authorization of expansions of existing Bureau funded or operated school programs to serve additional age groups not previously served."

In the more than five years since, no such regulations or criteria have been developed, nor are any known to be under development.

Rather, Indian Tribes have witnessed an apparently deliberate and largely successfull attempt on the part of the BIA to thwart Tribal initiatives for new school starts and program expansions. On April 23, 1981, then-Director of the Office of Indian Education Programs Earl Barlow issued a draft set of "interim procedural guidelines " for the approval of new schools and expansions. While these were not what was intended by the regulations and were less than ideal in and of themselves, they were at least a start. Exactly two months later, on June 23, 1981, Assistant Secretary for Indian Affairs Ken Smith issued a moratorium on any new school starts and expansions. While this moratorium was clearly illegal, it effectively prevented all but one or two starts or expansions for several months. The moratorium had a direct effect on the attempts of at least two Navajo communities, Chinle and Tuba City, to establish new community-controlled schools, essentially by discouraging any further effort proposals which were already under development. The basis for the moratorium was that "initiation of such new programs would not be consistent with the current policy of reducing Federal spending." It was also related to the lack of academic and dormitory standards (still lacking) and the revision of PL 93-638 regulations. Clearly, the statute and regulations mandating that new start procedures be developed do not recognize these as legitimate reasons to declare a moratorium, nor does the Assistant Secretary have the authority to abritrarily countermand federal regulations as he sees fit. Nevertheless, no one sued the BIA, and the moratorium stands as a clear example of the Bureau's antipathy toward PL 93-638 contracting.

Since that time, the Bureau has used other means to prevent the majority of requested new school starts under PL 93-638. The primary method employed is an outright refusal to request sufficient funds for such starts, even in cases such as the Continental Divide High School proposal where the Bureau officially recognizes the dire need for the program, and admits that there are absolutely no declination issues whatsoever in regard to the contract application. For more than two years now the BIA has been very much aware of this and other proposals, yet has failed to request the necessary funds from Congress while claiming a lack of funds as the reason they cannot authorize the new starts. Similarly hollow excuses include the lack of new start procedures and various gross misinterpretations of the statutes and regulations under 638 and 561. By the Bureau's own varying admissions, there are anywhere from six to twenty or more new school start requests, presumeably including both Bureau-operated and contract schools, which have thus far gone unheeded if not purposely denied. There is no way of accurately determining how many other potential requests may have been abandoned before ever being made, simply because it is clear that such requests are discouraged.

PL 93-638 and PL 95-561 are quite clear in their intent. Tribal initiatives are encouraged by PL 93-638. PL 95-561 regulations require the Bureau to "vigorously encourage and support alternative, innovative and exemplary programs reflecting Tribal or Alaska Native village specific learning styles..." (25 CFR §32.4(t)) and to "aggressively seek sufficient appropriations..." to carry out that policy. (25 CFR §32.4 (aa)) Many new starts are requested in order to provide education close to home, as mandated by 25 CFR 32.4 (p). Yet the BIA has consistently ignored and continues to ignore its manifest responsibilities in this area.

Another aspect of the situation is the admitted existence of a certain amount of excess capacity in existing facilities, though what actually exists is only a small fraction of what the BIA claims. This is due to the manner in which the Bureau calculates space utilization, comparing original design capacity and intended use to current use for those intended purposes. It ignores the fact that new laws and regulations have forced schools to provide some types of services under very specific classroom conditions which were not originally provided for when the schools were built. This has meant that in many instances, particularly in special education situations, only a fraction of the number of students for which a classroom was originally designed can legally be served in that same space. Regardless, this means that, in some instances, by BIA reckoning, a classroom may be classified as 80% underutilized, when it is in fact being used up to its legal limit! When combined with similar situations dictated by other contemporary education laws and practices, it is easy to see how the BIA generates very serious overestimations of excess capacity. Unfortunately, these figures are used to justify denials of requests for new schools. The BIA simply cites its utterly innaccurate data which shows that there is more than enough space somewhere to meet the needs which are the basis for the new school start request, and the request is turned down when, in reality, that space does not exist. To make matters worse yet, it is clear that, if the BIA were doing an effective job of preventing school dropouts, there would be far less actual excess capacity, if any.

Another reason given for some refusals to allow a new school start is the existence of duplicated services, or at least the prospect of same. While there has been a certain amount of this, the Navajo Tribe has recently agreed to allow the consolidation of nearby schools in two separate instances. In both cases, two schools exist in close proximity and clearly duplicate services unnecessarily. It is not in the best interests of the Tribe or its schoolchildren to waste scarce financial resources, and thus the consolidations have been allowed. In another instance, the Navajo Tribe is cooperating with the BIA in order to effectuate the closure of an off-reservation dormitory as soon as construction of a new academic and residential school facility is complete. Yet, in spite of the Tribe's willingness to help eliminate unnecessary and wasteful use of facilities and the funds which would be needed to operate and maintain them, there has been no evidence that the BIA is willing to reciprocate by granting requests for the establishment of school programs where they are truly needed and would be fully utilized.

What is needed from Congress is clear and explicit directives to the Bureau in support of new school starts. The BIA should be directed to immediately begin development of the required new school start and program expansion procedures and criteria. These should and must be developed in direct consultation with the Tribes and with recognized Tribal organizations and entities having experience and expertise in the development of new school programs. Such consultation should be required from the very beginning of the development of the procedures and criteria, not just after the BIA has put its own biases on paper and then asked for reactions and comments. The procedures should become part of 561 and not 638 as the BIA attempted to make them two years ago. The Bureau should be required to document all requests for new school starts and program expansions, including those which may have legitimately been declined for one of the reasons allowed in the regulations. In such instances, the Bureau should be required to document the technical assistance offered and/or provided to the applicant in order to resolve the declination issue.

Finally, the Bureau should be required to request whatever amounts of funds are indicated as being needed to provide for such new starts and expansions as meet the criteria developed under 561. Presumeably the procedures and criteria would provide a means for accurately determining the amount of funds needed in each instance.

NAVAJO TRIBE
JOHNSON O'MALLEY PROGRAM

	FY-1980	FY-1984
Appropriation:	$5,299,171.00	$4,348,839.00
Tuition:	506,295.00	-0-
Per Capita:	141.13	110.16
Students served:	37,548	39,477
# of Subcontractors: and I.E.C.'s	27	23
Total Expenditures:	$5,883,402.96	$1,000,000.00 (FY-83 - $5,680,803.25)

Reason for Subcontract Decrease: Previously funded were seven BIA Contract Schools.

New Subcontracts: Cedar, Jemez Mountain, Red Mesa, School Districts and Navajo Child Development.

Fiscal Year 1985 Projection: Would need $6,000,000.00 to serve 40,000 students. Per Capita at $150.00 per student is minimal as compared to certain other states (Alaska & New York, for example).

Of the 39,477 students served,
36,0831 are public school students in the elementary and secondary grades

[illegible],394 are 3 and 4 year olds in the Navajo Head Start Program

NEED FOR POSTSECONDARY PROGRAMS
HIGHER EDUCATION--VOCATIONAL EDUCATION
NAVAJO DEPARTMENT OF HIGHER EDUCATION

I. Undergraduate Program

Fiscal Year	BIA Funds	USOE Funds	Students Awarded	Total Applications	Students Denied
1980	$4,604,008	$3,550,234	2,231	7,000	4,769
1981	4,904,796	4,425,811	2,406	9,012	6,606
1982	5,343,000	1,957,149	2,227	8,800	6,573
1983	5,957,505*	2,281,040	2,727	6,995	4,268
1984	5,558,000*	2,000,000**	2,386**	9,000**	6,614**

* Includes carry-over monies

** Projected Figures for 1984

II. Actual Needs for FY 1985

A. Introduction

The Career Opportunities on the reservation are extremely limited. A new high school graduate can expect the competitive options of applying at the Department of Higher Education, BIA Employment Assistance, and the Armed Services or take a risk at job placement. Presently, formal training environments supply more than the limited number of workers for the particular reservation occupation.

Labor force report as of December 1982

Age 16 - 34	64,647
Not In Labor Force	23,929
Potential Labor Force	84,093
Employed	34,894
Not Employed	49,199
Seeking Work	28,155
Total Population	158,917

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The BIA Employment Assistance Program has had three (3) of its suboffices cut with three more slated to be cut this April. (See Tab A). The cut-backs have already had the affect of 1,000 students applying for a college scholarship who otherwise would have applied for a vocational education certificate.

B. Actual Needs and Calculation

The actual need for FY 1984 is calculated very conservatively at $8,740,110.

The calculation was estimated by the following:

1. This past fiscal year the Navajo Tribe had a BIA appropriation of $4,973,000 and carry-over funds of $984,404 for a total BIA grant of $5,957,404. Additional United States Office of Education funds of $2,281,040, were used to supplement the BIA grant for a grand total of $8,238,444. These funds assisted a total of 2,727 student at a cost of $3,021.05 per student.

   $8,238,444 dollars
   2,227 students = $3,021.05/per student

2. A conservative estimate of the inflation rate from last year (FY'83) to this year (FY'84) is 5 per cent. Therefore the cost per student using last years rate plus the 5 per cent inflation rate is $3,172.11.

   $3,021.06 x 5% = $151.05+ 3,021.05 = $3,172.11

3. Using our current FY'84 allocation, the BIA has formally granted $4,968,000 and a carry-over of $600,000 for a total of $5,568,000. The estimated U.S. Office of Education contribution would be lower than last years allocation as we have less "matching" funds. The estimate of USOE funds is $2,000,000 for a total of $7,568,000. Using this year's calculated student cost (No. 2) of $3,172.11 would fund a total of 2,386 students.

   $7,568,000 (FY'84 funds)
   3,172.11 (student cost) = $2,385.79 or
   2,386 students

4. This coming year, we expect at least 1,000 more students to apply because of the Employment Assistance (EA) Program cut-backs. Condensing Tab B of the EA Program illustrates an unmet need for FY'84 of 6,059 students. As previsously mentioned, this past Christmas, we had about 1,000 EA students applying for an AA Degree.

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Employment Assistance Program
(Tab's y and c)

Fiscal Year	Total Applications	Processed	Backlog	Not Processed
1983	1,405	836	1,324	1,894
1984	4,367	319	2,011	6,059

Even without the EA Program students, the Department of Higher Education could easily provide an additional 1,000 scholarships.

1,000 students x $3,172.11 = $3,172,110 additional monies needed.

5. In actuality 1,370 more students can be served as our monies are matched with USOE monies at about 37%:

$3,172,110 x 37% = $1,173,681

$1,173,681	USOE Funds
3,172,110	BIA Funds
$4,345,791	

$$\frac{\$4,345,791}{3,172.11} = 1,370 \text{ students}$$

6. If the BIA contains the Scholarship Program at the base of FY '84 which includes $600,000 carry-over funds, then the BIA grant would total $5,558,000. To meet a conservative estimate of 1,370 more students would require $3,172,110 more dollars for a total of $8,740,110 from the BIA.

FY'84 BIA Funds	$5,568,000
1,370 more students	3,172,110
FY'85 Need	$8,740,110

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U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Branch of Employment Assistance Offices

AREA EMPLOYMENT ASSISTANCE OFFICE (2)
Mrs. Elsie A. Begaii, Area EA Officer
Mr. El Wheeler, Area EA Programs Officer
Navajo Area Office - P.O. Box M
Window Rock, Arizona 86515
Tele: (602) 871-5151, ext. 5426, 5427, 5428
FTS (8) 479-5426,5427,5428

NORTHERN NAVAJO AGENCY (5)
Mrs. Maxine Bowman, EA Officer
P.O. Box 966
Shiprock, New Mexico 87420
Tele: (505)368-4321, 4320

WESTERN NAVAJO AGENCY (5)
Ms. Tommy Tsosie, EA Officer
P.O. Box 127
Tuba City, Arizona 86045
Tele: (602)762-4531 FTS (8)762-4294

CHINLE AGENCY (3)
Mr. John Etsitty, EA Officer
P.O. Box 7-M
Chinle, Arizona 86503
Tele: (602)674-5251, 5320

FORT DEFIANCE AGENCY (5)
Mr. Thomas O. Lincoln, EA Officer
P.O. Box 619
Fort Defiance, Arizona 86504
Tele: (602) 729-5041, ext. 273,274
FTS (8)479-7273, 7274

EASTERN NAVAJO AGENCY (5)
Mr. Ambrose McCabe, EA Officer
P.O. Box 328
Crownpoint, New Mexico 87313
Tele: (505) 786-5235, 5236

KAYENTA SUBOFFICE
Ms. Lillian Lujan, EA Spec.
P.O. Box 397
Kayenta, Arizona 86033
Tele: (602) 697-3201

pending closure

~~**PAGE SUBOFFICE**~~
~~Vacant EA Spec.~~
~~P.O. Box 1955~~
~~Page, Arizona 86040~~
~~Tele: (602) 645-2777~~

closed Sept.'83

LEUPP SUBOFFICE
Ms. Una Shabi, EA Spec.
Star Route (Leupp)
Winslow, Arizona 86077
Tele: (602) 686-6253

pending closure

HOLBROOK SUBOFFICE
Mr. Mike Allison, EA Spec.
P.O. Box M
Holbrook, Arizona 86025
Tele: (602) 524-3906

GALLUP SUBOFFICE
~~Mr. Denny Ben, EA Spec.~~
~~P.O. Box 1060~~
~~Gallup, New Mexico 87301~~
~~Tele: (505) 863-9501~~
~~FTS 571-9201~~

closed Sept. 8?

BLANDING SUBOFFICE
Mr. Don Roberts, EA Spec.
P.O. Box 674
Blanding, Utah 84511
Tele: (801) 678-2620

pending closure

FARMINGTON SUBOFFICE
~~Ms. Louise Werito, EA Spec.~~
~~3535 E. 30th Street, Suite 210~~
~~Farmington, New Mexico 87401~~
~~Tele: (505) 325-0224~~
~~FTS (8) 572-6225~~

closed July

TAB A

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1983 OUTPUT 1984

	SHIPROCK		TUBA CITY		CROWNPOINT		CHINLE		FT. DEFIANCE		TOTAL	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
Total AVT Applications	222	829	1022	1180	159	163	188	1065	442	593	1033	3830
Total Appl. (AVT) Processed	178	57	186	28	128	105	104	35	113	61	709	286
Total DE Applications	2	235	235	162	45	2	16	5	75	133	373	537
Total Appl. (DE) Processed	2	3	13	5	21	14	16	3	75	8	127	33
Total Career Services	674	1280	6273	931	821	171	3911	963	3648	949	15327	4294
Total Backlog	44	48	836	1128	31	58	84	101	329	676	1324	2011
Total Carryovers	101	154	168	168	11	101	86	76	18	56	384	557

Note: Statistics for Crownpoint for FY 1984 are of 10/31/83.

TAB B

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TAB C

BUDGET COMPARISON

	SHIPROCK	TUBA CITY	EASTERN NAVAJO	CHINLE	FT. DEF.
$3,145,342 *FY 1984	$744.5	$596.6	$578.8	$482.8	$683.[illegible]
$3,110,198 FY 1983	701.7	568.5	553.2	464.1	651.9
$2,439,000 FY 1982	617.1	451.8	428.2	360.0	439.7
$2,867,118 FY 1981	603.3	577.4	538.2	446.8	515.7
$3,471,900 FY 1980	626.5	721.6	548.1	554.8	702.2
$3,988,000 FY 1979	757.5	860.8	657.[illegible]	603.3	766.8
$3,905,300 FY 1978	785.3	832.9	553.1	607.2	786.3

* TENTATIVE BUDGET

NAVAJO SCHOOL DATA

The following charts identify the numbers of schools serving Navajo children on or near the Navajo Reservation, and the number of students as of the 1981/82 school year. Current information shows an increase in enrollment above 1981/82 levels in both the BIA and public school systems. Figures from the Navajo Johnson O'Malley Program show a student count in public schools of 36,983. BIA figures show an enrollment of 17,206 in FY 1983 and of 17,770 in FY 1984. These figures are up from 1981/82 when figures showed 35,902 Navajo students in public school and 17,106 Navajo students in BIA and contract schools.

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TOTAL NUMBERS OF SCHOOLS AND DORMITORIES SERVING NAVAJO STUDENTS

(BY GRADE LEVEL CLASSIFICATION)

PUBLIC SCHOOLS

STATE	TOTAL	ELEM.	MID SCH	H.S.	SP. ED.
ARIZONA	62	34	14	14	
NEW MEXICO	72	44	13	13	2
UTAH	15	8	2	5	
COMBINED TOTAL	149	86	29	32	2

BIA OPERATED SCHOOLS

AGENCY	TOTAL	ELEM		MID SCH.		H.S.		K-12	
		B	D	B	D	B	D	B	D
CHINLE	7	4	2			1			
EASTERN NAVAJO	16	11	4			1			1
FORT DEFIANCE	11	11							
SHIPROCK	8	4	3						
WESTERN NAVAJO	10	7	3			-			
COMBINED TOTALS	52	37	12			2			1

BIA DORMITORIES

AGENCY	TOTAL	GRADE LEVELS
CHINLE		
EASTERN NAVAJO	1	K-8
FORT DEFIANCE --		
SHIPROCK	1	7-12
WESTERN NAVAJO	1	9-12
OFF-RESERVATION DORMITORIES	7	(1) 1-8 (6) 9-12
COMBINED TOTAL	10	

P.L. 93-638 CONTRACT SCHOOLS

AGENCY	TOTAL	ELEM		MID SCH.		H.S.		K-12		SP.ED.	
		B	D	B	D	B	D	B	D	B	D
CHINLE	4		1					2		1	
EASTERN NAVAJO	4		1			1		1	1		
FORT DEFIANCE	1									1	
SHIPROCK	3		1			1	1				
WESTERN NAVAJO	1		1								
COMBINED TOTAL	13		4			2	1	3	1	2	

B=Boarding school   D=Day school

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NAVAJO AREA
SCHOOLS

Types of Schools	Total Student Enrollment	Total Indian Enrollment	Indian Enrollment Percentage	Number of Teachers	Number of Navajo Teachers	Percentage Navajo Teachers	Number of Teacher Aides	Number of Navajo Teacher Aides	Percentage Navajo Teacher Aides	Student/Teacher Ratio	Navajo Teacher Indian Student/ Ratio
BIA Schools	15,045	15,045	100%	766	327	42.6%	486	482	99%	1:19.6	1:46
Contr[illegible] Schools	2,061	2,061	100%	161	94	58.3%	64	62	97%	1:12.8*	1:21
SUB-TOTAL	17,106	17,106	100%	327	421	45.4%	550	544	98%	1:18.5	1:40.6
Public Schools											
Arizona	31,861	18,711	.58.7%	1,819	179	09.8%	549	381	71%	1:17.5	1:[illegible]7.9
New Mexico	31,698	15,512	48.9%	1,730	108	06.2%	459	231	50%	1:[illegible].3	1:293.5
Utah	6,907	1,679	.24.3%	367	17	04.6%	93	42	45%	1:18.8	1:406.2
SUB-TOTAL	70,466	35,902	50.9%	3,916	304	07.7%	1,101	664	60%	1:18.0	1:231.7
GRAND TOTAL	87,572	53,008	60.5%	4,843	725	14.9%	1,651	1,208	73.1	1:18.1	1:120.7

* Includes 2 special purpose schools in Shiprock Agency dealing with handicapped or problem youth.

5

	NAMES OF BIA AGENCIES/ PUBLIC SCHOOL DISTRICTS	AVERAGE STUDENT/TEACHER RATIO	RANGE OF STUDENT/TEACHER RATIOS
BIA	CHINLE AGENCY	1:17	1:15—1:35
	EASTERN NAVAJO AGENCY	1:17	1:16—1:42
	FORT DEFIANCE AGENCY	1:17	1:10—1:24
	SHIPROCK AGENCY	1:19	1:19—1:29
	WESTERN NAVAJO AGENCY	1:23	1:20—1:25
CONTRACT	CHINLE AGENCY	1:23	1:11—1:14
	EASTERN NAVAJO AGENCY	1:16	1:10—1:37
	FORT DEFIANCE AGENCY	-NO CONTRACT SCHOOLS-	
	SHIPROCK AGENCY	1:8	1:7—1:19
	WESTERN NAVAJO AGENCY	1:8	1:8
ARIZONA	CHINLE SCHOOL DIST.	1:18	1:15—1:22
	GANADO SCHOOL DIST.	1:15	1:14—1:17
	HOLBROOK SCHOOL DIST.	1:13	Not Available
	JOSEPH CITY SCHOOL DIST.	1:13	1:11—1:15
	KAYENTA SCHOOL DIST.	1:15	1:11—1:2[illegible]
	JEDDITO SCHOOL DIST.	1:22	1:2
	FLAGSTAFF SCHOOL DIST.	1:17	1:13—1:25
	PAGE SCHOOL DIST.	1:11	Not Available
	PUERCO SCHOOL DIST.	1:12	1:12
	SNOWFLAKE SCHOOL DIST.	1:19	1:17—1:25
	TUBA CITY SCHOOL DIST.	1:10	1:9—1:24
	WINDOW ROCK SCHOOL DIST.	1:19	1:17—1:20
	WINSLOW SCHOOL DIST.	1:21	1:18—1:24
NEW MEXICO	AZTEC SCHOOL DIST.	1:15	1:12—1:17
	BLOOMFIELD SCHOOL DIST.	1:19	1:16—1:28
	CENTRAL CONSOLIDATED SCH. DIST.	1:14	1:14—1:21
	CUBA SCHOOL DIST.	1:16	1:14—1:18
	FARMINGTON SCHOOL DIST.	1:21	1:6—1:27
	GALLUP McKINLEY COUNTY SCH.DIST.	1:18	Not Available
	LYBROOK SCHOOL DIST.	1:17	1:17
	MAGDALENA SCHOOL DIST.	1:13	1:13
UTAH	SEVIER SCHOOL DIST.	1:2[illegible]	Not Available
	SAN JUAN SCHOOL DIST.	1:16	1:12—1:26

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SCHOOL FACILITIES

At the present time there are seventy-two Bureau of Indian Affairs-operated or funded schools and dormitories within the Navajo Area, as well as additional non-educational facilities such as Area and Agency offices and plant management buildings. The very large majority of the schools and dormitories were built between the early 1950's and 1960's as part of an accelerated construction program aimed at replacing the many "trailer schools" which at that time constituted the majority of school facilities. The construction program placed a premium on quantity over quality, and the buildings were generally designed for a ten year life expectancy.

The vast majority of the Navajo Area is plagued by unstable soil conditions. As a result, virtually regardless of the footing design and techniques employed in the construction of these facilities, there have been frequent, widespread and chronic problems with footing stability due to soil shift. These problems in turn cause serious damage to the buildings and create major safety problems. There are currently at least three sites in the Navajo Area which have either had to evacuate and close buildings or are faced with that immediate prospect. There are many, many other sites which have not yet reached a state of emergency, but are rapidly approaching such a state.

With the advent of P.L. 95-561 in 1979, a study was done on the entire Navajo Area in order to determine the overall amount of work needed in order to bring all "schools, dormitories and other facilities...into compliance with all applicable Federal, tribal, or State health and safety standards..." (See Sec. 1125.(a) of P.L. 95-561). (The same sort of study was performed in all BIA Areas.) For the Navajo Area, the estimated cost to bring all facilities -- excluding employee quarters --into compliance was $274,297,643 (expressed in 1984 dollars). A later study give an estimate of approximately $57 million as the cost to bring employee quarters up to standards, giving a total of $331,297,643 needed to bring all education-related facilities into compliance with applicable standards.

Since FY '81, the amount appropriated for education and non-education-related repairs is $46,547,862. There is currently a total of $67,749,781 worth of work on which the "design" activities have been or are about to be completed, including both education and non-education-related facilities, which will be funded out of FY '85 and later budgets. At the moment, the amount expected for FY '85 is only $13 million, or less than five percent of the need in 1984 dollars. Out of the $114,297,643 total for work already completed, under construction and "in design" ($46,547,862 + $67,749,781), only $9.5 million, or eight percent, is for non-education-related facilities, compared to other BIA areas which spend up to as much as 80 percent of their FI&R budgets on non-education facilities. Meanwhile the deterioration of these facilities progresses at a rate of approximately $40,000,000 per year.

In short, the education and education-related facilities situation within the Navajo Area is desperate. If more money is not appropriated to meet the existing Facilities Improvement and Repair needs, we can expect a significant number of forced facilities closures, both partial and complete, in the not-too-distant future.

The problems with facilities repair and improvement relate directly to the question of new school construction. If the existing facilities are in a deteriorated state now and growing worse, and if the outlook for appropriations which would allow these facilities to be used for a number of years to come is as dim as it presently seems, are we then looking at a surge of new construction to replace schools which will be forced to close as they become to dangerous to operate? Not if the current budget requests are any indication. The FY '85 BIA budget request includes only $4.5 million for new school construction, and there is no indication that future requests will be significantly higher.

What we are witnessing, then, is the establishment of policy regarding Indian education via the budgetary process, and it is a clearly unworkable policy at that. When coupled with the facts that, (a) the enrollment in the BIA-operated and funded schools in Navajo Area is rising rather than declining as the BIA's budget would suggest for FY '85, and, (b) there is no funding being requested for public school construction in federally impacted areas in the FY '85 Federal budget, one must conclude that there will very shortly be a crisis in regard to educational facilities for Navajo students.

INDIAN EDUCATION IN FISCAL 1985

An Analysis of the BIA Fiscal Year 1985 Proposed Budget for Education And Related Categories

Prepared By: Navajo Division of Education
P.O. Box 308
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(Arizona) 86515

Prepared For: Senate Select Committee
on Indian Affairs
Hearing Scheduled February 21, 1984

THE NAVAJO NATION
WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETERSON ZAH
CHAIRMAN, NAVAJO TRIBAL COUNCIL

EDWARD T. BEGAY
VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

February 21, 1984

MEMORANDUM

TO : Senate Select Committee on Indian Affairs

FROM : Education Committee of the Navajo Tribal Council,
David Tsosie, Chairman

SUBJECT: BIA Indian Education Budget

The attached briefing paper, prepared by the Navajo Division of Education, provides an analysis of the Indian education budget proposed by the Bureau of Indian Affairs for Fiscal Year 1985. It is presented to this Committee to be placed on the record as the testimony of the Navajo Tribe regarding this very important component of the BIA budget. The Chairman of the Navajo Tribal Council, Peterson Zah, has identified education as a priority need of the Navajo people. We hope that you will give favorable attention to this analysis and use your influence within the appropriations process to assure that adequate funding is provided for Indian education for FY 1985.

We would also request that you keep the record open for at least two more weeks to receive additional testimony. Thank you.

David Tsosie

Attachments

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ANALYSIS OF BIA FY 1985 PROPOSED BUDGET FOR EDUCATION AND RELATED CATEGORIES

Prepared by: Navajo Division of Education

February 16, 1984

A. GENERAL COMMENTS

The BIA's education budget is essentially a "maintenance budget". With some exceptions, which will be discussed below, it maintains BIA education and related programs at their Fiscal Year 1984 levels. Significant cuts appear in the area of Tribally-controlled community colleges and adult education. Some increase is found in higher education scholarships. But, essentially, the budget holds the line at the old funding levels. The problem with this is that "maintaining" the FY 1984 budget maintains the cuts that have taken place over the past two years. It institutionalizes these cuts. Under any expected rate of inflation, programs that are constantly required to "hold the line", eventually lose ground as the price of basics goes up and funding does not. New programs that are needed to stay current in the field of education cannot be undertaken because there is not any new money to buy into them. Rather than maintaining the FY 1984 base, the BIA should utilize a 1981 base and restore the BASIC services that have already been cut out of this budget in the previous two years. Also, BIA should forward fund these programs.

B. INCREASE IN BIA AND INTERIOR ADMINISTRATION

As in previous years, the one area where the BIA budget

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keeps up with inflation is in its own administrative overhead. Some of this overhead is reflected in the budget of the Office of the Secretary of Interior, where the first three administrative categories (which include the Deputy Assistant Secretary -- Indian Affairs) are increased by $1,726,000. They also include general administration of the BIA, where the budget request is up by $7,697,000. There is no comparable increase anywhere in the BIA education budget. The apparent increase in education is actually due to adding a line item within education for contract support funds for education contracts. This category was previously separate from the education budget. When it is removed ($13,340,000), the actual increase in the education budget is negligible and does nothing more than bring some programs up to FY 1985 base.

C. SCHOOL OPERATIONS HOLDS THE LINE

The school operations budget does no more than hold the line and is quite inadequate in some categories.

1) Indian School Equalization Program:

a. Indian School Equalization Formula maintains last year's base. As stated above, this further institutionalizes the cuts of the past couple of years. There is a new computerized instruction initiative mentioned in the BIA's budget justification. But there is no new money for it. It is supposed to be paid for out of ISEF. Holding ISEF at its inadequate base means that many BIA schools, especially the smaller and more isolated ones, will not be able to buy into this program. They will not be able to afford to purchase the hardware and software. Students in these schools will be significantly disadvantaged. ISEF funding is down because of the transfer of the Alaska schools and the closing of Intermountain Boarding School. It should be noted that there is no corresponding increase in the Johnson O'Malley budget to accommodate the entry of these students into public school. There is no provision in ISEF for gifted and talented students.

b. Indian School Program Adjustments provides $500,000 for new school starts, program adjustments, etc. This figure is totally inadequate. The BIA continues its prior record of failing to seek funds for the proposed new school starts of which it is aware, such as the proposal for the Continental Divide High School. In seeking such a small amount of funding for this category when there are new school start proposals before it, the BIA fails to be an advocate for Indian programs before Congress as required by the regulations implementing P.L. 95-561.

2. Institutionalized Handicapped

These funds are maintained at the FY 1984 level The BIA justification shows this as maintaining the FY 1985 base. However, this is questionable, since in other categories, maintenance of the base has required an increase in funds. In any case, the comments in subsection "a." above apply. The maintaining of the base merely continues the inadequacy of previous funding.

3. Student Transportation

This is increased in amount. However, this increase merely funds the FY 1985 base, retaining the FY 1984 level of services. As stated above, this continues into another funding year the inadequacies in the transportation budget.

4. Technical Support - Agency and Area Offices

This fund is increased to bring the funding up to FY 1985 base and then increased $600,000 more to fund an education management information system. An education MIS is critically needed. However, BIA efforts in this direction in the past have been a waste of funds. This is an area where careful Congressional oversight is needed to make sure that the project stays on target, that the moneys are spent for what they are supposed to be spent for, that the work is competently done and that Indian tribes are involved. There should also be specific language in the appropriation assuring Tribal access to the education MIS. This should include terminals for Tribal departments of education, program compatibility and the like. The data this system is supposed to generate is information which Indian tribes desperately need to engage in their own education planning, as anticipated by P.L. 95-561.

5. School Board Training

This fund is maintained at its FY 1984 level of $525,000. Congress should restore these funds to the individual school boards, as provided in federal regulations and allow the boards to decide how and where to obtain training.

6. Pre-Kindergarten Programs

This program is being closed out as required by Congress in the 1984 appropriation. It is unfortunate not to have pre-kindergarten programs under BIA education. Head Start is under the Department of Health and Human Services. If the 0-4 age category or any part of it were included within BIA education, this would have positive implications for funding for special education to this age category under P.L. 94-142.

7. In General

While the BIA anticipates a decline in overall enrollment because of the transfer of the Alaska schools to the state, it anticipates an increase in enrollment in the remaining BIA schools as students move back from public schools to the BIA system. Nowhere is there any planning for increased services to accommodate this. Nowhere is there any program directed toward the student dropped out of school.

D. JOHNSON O'MALLEY PROGRAM DOES NOT ADDRESS INCREASED DEMAND

Funding for the Johnson O'Malley Program is maintained at the same level it was last year. This is done despite the fact that at least 10 more Alaska BIA schools will be added to the Alaska public schools and Intermountain Boarding School will be closed, with 20 percent of the IMBS students entering public school. In addition, as noted in the BIA's own program justification, more states are expanding their JOM program to include 3 and 4 year olds. This has been done in the past year with the Navajo program. As a consequence, leaving the JOM appropriation at its 1984 level results in a decrease in funding for each eligible student. For example, the Navajo JOM program funded its subcontractors at a per capita amount of $141.13 in FY 1980. In FY 1984 the per capita amount was $110.16. For FY 1985 the amount will be even less.

It should be noted that the BIA student count figures used for its JOM justification (and the ISEF justification) are very questionable. The figures show a net decrease in students in BIA schools (a consequence of the closures mentioned above) but not net increase in Indian students in public schools. This is not possible.

The formula for allocating Johnson O'Malley funds needs to be changed. This formula was developed by a vote of all "Indian Tribes" with each "tribe" receiving one vote. Each Alaska Native village was counted as a "Tribe". The resultant formula excessively favors the state of Alaska where per-pupil expenditures are high. It penalizes Indian children living in states which underfund education. The JOM per student amount for Alaska is $276.10. For Arizona it is $126.07. This does not reflect just increase costs in Alaska. It also reflects the sorry state of school financing in Arizona. Arizona Indian children are penalized twice -- once by the State of Arizona and once by the BIA. Congress should require the BIA to come up with a more equitable formula for distribution of these funds and a more equitable system of tribal voting.

E. CONTINUING EDUCATION FUNDING DOES NOT KEEP UP WITH DEMAND

The continuing education budget does not keep up with the program demand. There is a slight increase in higher education scholarships which only partially recoups prior cuts. There are cuts in Tribally-controlled Community Colleges and Adult education, despite the clear need for these programs.

1) Higher Education.

This category is increased $1,219,000 above FY 1984, $1,212,000 above the FY 1985 base. This increase partially restores prior program cuts but does not restore the full prior level of funding. In FY 1982, the Navajo Higher Education program received $5,343,000 in new funds. For the past two fiscal years the amount has been $4,968,000. If Navajo receives its proportional share of the proposed increase, it will restore approximately $240,000 of the $375,000 that the Navajo program has been cut. At the same time the Navajo program predicts increased applications. This is in part because the BIA has again failed to established a line item for vocational education and is cutting back on the employment assistance program. With the decrease in vocational opportunities, more students go on to college.

2) Special Higher Education

This program receives no increase in the current budget. Comments here are the same as above. Increases are needed to meet the growing pool of college graduates seeking advance degrees.

3) Adult Education

This category of funding has been cut. It is funded at $202,000 below the FY 1984 budget, and $309,000 below the FY 1985 base. BIA comments indicate that this cut was based upon tribally-established priorities. If so, this is unfortunate. Adult education is, or should be, an important part of the total educational package available on reservation. It is needed to meet the needs of people who were previously failed by the inadequacies of the school system. The program should at least be funded at the FY 1985 base. Actually, a whole new initiative is needed in adult education. If adults who were by-passed or underserved by the education system in the past are to participate in and benefit from the economic initiatives planned for Indian reservations, they will need to bring up their basic skills, as well as received vocational training.

4) Post-Secondary

This category includes the Haskell Indian Junior College, the Institute of American Indian Arts and the Southwest Indian Polytechnical Institute. It is gratifying to see SIPI included for funding with no language about closing it. SIPI should receive enhanced funding to compensate programmatically for the costs of the confusion on SIPI's future over the past couple of years.

5) Tribally-Controlled Community Colleges

This category is slated for a cut. The cut is hard to understand because BIA figures project an increase in enrollment for these colleges. Enrollment for FY 1983 was 3,080. Estimated enrollment for FY 1984 is 3,829. Estimated enrollment for FY 1985 is 3,915. With these estimates, the cut is totally unjustified. Navajo Community College alone is scheduled for a cut of $525,000. These cuts should be opposed. The funding should be at the FY 1985 per student base, with accommodation for the projected increase in enrollment. Navajo Community College is preparing its own testimony in support of its appropriation. Congress is requested to consider favorably the NCC testimony, since it has the concurrence and support of the Navajo Tribe.

6) Vocational Education

This category is included in this briefing. But it is not included in the BIA education budget. Each year the BIA fails to seek vocational education funding, although the Vocational Education Act administered by the U.S. Department of Education has a provision for a one percent set aside for Indian Education and provides for a BIA match of these funds. BIA's economic development initiatives are not going to improve the lives of adult Indian workers unless the issue of vocational education is squarely faced and funds are provided for this needed component of the education system. New funds should be sought. Other programs should not be under cut to fund vocational education.

F. BIA CONSTRUCTION FUNDING DOES NOT KEEP UP WITH DETERIORATION RATE

The BIA budget for construction of buildings and utilities will result in continuing deterioration of BIA facilities, especially school facilities. The total proposed buildings and utilities construction budget is $40,000,000. Of this, $36,[illegible],000 is for facilities improvement and repair. It is estimated that approximately $13,000,000 will be used for projects on the Navajo reservation, primarily education projects. According to a 1979 study, and based on current dollars, the cost of FI&R projects already in design for the Navajo Reservation alone is listed on the books of Interior's Facilities Management program as $67.8 million. The actual need is reported to be in excess of $200,000,000 in necessary renovations. The rate of repair is increasing the cost of repair. Broken or deteriorated facilities, if they remain unrepaired, are more susceptible to weather damage and further deterioration. It would be an economy to make a major initiative now to bring facilities up to life-safety standards and remedy deteriorated conditions instead of waiting for crises.

It should be noted that FI&R appears to be placed within the BIA again. This is probably a good idea. An additional step should be taken and place education's FI&R budget under education.

G. FORWARD FUNDING

The Navajo Division of Education in the past has recommended forward funding for educational programs. This recommendation is repeated here. The cost of late funding in administrative time and costs is tremendous. Planning is made more difficult. It is also made of poorer quality. There are actual staff positions that have to be maintained at the administrative level just to keep track of funding because of the chaotic, piecemeal way the money comes in. For instance, allocations under ISEF for this school year were sent out January 20, 1984. Up to that point, interim figures and conditional funding were all the schools had. Now they have to "figure back" and rectify their budgets. If the educational programs were forward funded at the rate of one each year, (i.e. ISEF one year, Impact Aid the next, JOM after that) the result would be a great economy over the time as schools were able to make a more efficient use of financial and human resources.

H. REPROGRAMMING FY 1984 MONEYS

In previous briefing papers, NDOE has discussed the implications for BIA education of reprogramming plans. Reprogramming is not mentioned in the BIA proposed budget justification for any Indian education program except for the Alamo school construction. Clearly any reprogramming must be opposed. The Alamo construction is long overdue. It should not be delayed longer. In addition, BIA has made no new requests to restore the funding. Education program funding should be inviolate. The only possible response to these reprogramming proposals can be total opposition.

I. A NOTE ABOUT ROADS

The budget for roads construction is not a part of the Indian education budget. But it has a major impact on Indian education, particularly on the Navajo Reservation. More than 80 percent of [illegible] roads on the Navajo Reservation are unimproved dirt. Th[illegible]t in question is generally red clay "gumbo". When these roads become wet, they are rapidly made impassible. When they dry, they dry with deep, hard ruts that regularly rip school buses apart. Axles, suspensions, tires deteriorate and break down many times faster than the manufacturer's predicted rate. These roads are a major contributing factor to absenteeism among day students and to boarding of elementary students. A day school system will not be possible as long as these roads form the major transportation base for the Navajo Nation. The $100,000,000 appropriated from the Highway Trust fund for roads on all Indian reservations is a drop in the bucket in comparison to the need. There needs to be a comprehensive effort to upgrade reservation road systems. The use of improved gravel roads needs to be explored as a way of supplementing the paved road system. It is impossible to develop an effective day school system in the absence of an adequate road system.

Nevada Urban Indians, Inc.

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RENO, NEVADA 89512

TELEPHONE: 329-2573
329-2574

HOUSE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
SENATE SELECT COMMITTEE ON INDIAN AFFAIRS
BUDGET OVERSIGHT HEARING TESTIMONY

Nevada Urban Indians, Inc., a non-profit Indian organization founded in 1975 to represent and provide human services to the 2,000 urban Indian people of the Reno/Sparks metropolitan area of Nevada, provide this testimony and request your support of:

> An appropriation of $12.3 million for Urban Indian Health, Title V of the Indian Health Care Improvement Act.

Nevada Urban Indians has maintained a Health Program as a result of this Act and funding for seven (7) years, therefore, this request is made, given the following facts and information:

A. The full intent of the Act has not been realized locally and nationally as eight (8) years is not sufficient time to turn the tides of decades of neglect and poor health.

B. American Indians still maintain one of the lowest health status' in the United States which includes urban Indians as half of all Indians reside in urban areas per the 1980 U.S. Census.

C. Although a foundation has been built over the past eight (8) years, consistent and quality care takes time, money, and commitment. Each year Urban Indian Health Programs have had to fight to maintain a minimal funding level that does not begin to approach the levels of authorization established in the Act in 1976 which were well studied and supported.

D. Today there are thirty-eight (38) Urban Indian Health Programs, and although these Programs have made great strides in their respective communities, thirty-eight (38) Programs cannot begin to meet the needs of the many urban communities of this nation.

E. The continuation of established Programs is essential if continued and consistent gains are to be made over a long term period. Urban Indian Health Programs have again and again proven their need and cost effective operation. In fact, careful study will prove that Urban Indian Health Programs have had more constraints and requirements and have had to prove themselves more than other such Programs and services. We have welcomed this scrutiny.

An inadequate appropriation will mean to Nevada Urban Indians the loss and/or impairment of the following services.

1) A Community Health Worker and Community Health Nursing Program that provides outreach services to the community that includes transportation, referrals, assisting with appointments, etc., and

community nursing services that provide homevisits/homecare, health education and essential health care follow-up for high risk patients such as infants, children and the elderly.

2) Direct health care not available elsewhere in the community which is obtained through a cooperative relationship with the Reno/Sparks Indian Colony through the Reno/Sparks Tribal Health Center. For services, Nevada Urban Indian's Health Program provides nursing and lab staffing, patient supplies and community support services.

3) An Infant/Child Well Clinic that provides pediatric services to infants/children, a population that prior to the program, did not receive consistent and supportive care. Services include weekly well child clinics and newborn care. Health education is also and important area of service.

4) Health education activities that are integrated into all service areas and promote health maintenance and individual responsibility.

Over the years a myrid of information has been generated and developed to continually show the need for Urban Indian Health Programs and to detail the impact these Programs have made. We hope you will carefully review the information, take into consideration new information, and ultimately, renew the govornments commitment to the urban Indian people of this country. Please keep in mind that health should not be a luxury but a right of all.

CM:2-84

NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD
123 N.W. SECOND AVE. • ROOM 321 • PORTLAND, OREGON 97209
(503) 228-4185

Testimony of the Northwest Portland Area Indian Health Board on the Administration's Proposed FY 1985 Indian Health Service Budget

Mr. Chairman, Honored Members of Congress, and Guests:

The Northwest Portland Area Indian Health Board, representing the thirty-six federally-recognized tribes in the states of Washington, Oregon and Idaho, and as delegated by the tribal governments by resolution, appreciates this opportunity to meet with you today to discuss important budget and policy issues affecting the Indian Health Service. The health care provided to Northwest Indians by IHS is of critical importance to our tribal governments, and we strive to do everything possible to maintain and improve the health services provided as a part of the federal responsibility to Indian people.

In the Pacific Northwest, over 100,000 Indians live on reservations, in urban areas, and in small communities. Of these, approximately 75,000 Indians received health services through the IHS system last year, and this number will increase in fiscal year 1985. Aside from the natural population increases among Northwest tribes of over 2% per year, we have an undetermined but significant number of people returning to the reservations who then become eligible for health services through IHS.

The fiscal year 1985 budget for IHS proposed by the Administration is not sufficient to provide adequate health services to our Indian population. Numerous vital parts of the Indian health delivery system are proposed for elimination, which would wipe out the results of years of planning and effort. It is not cost-effective or appropriate for the federal government to attempt to restructure IHS through the budget process. The proposed changes would strike at the heart of the special mission of IHS by weakening preventive programs, reducing tribal involvement in health, and abandoning the improvement of ambulatory care clinics and tribal sanitation systems.

In FY 1984, a similar Administration budget for IHS was rejected by Congress in favor of a much more adequate budget which preserved the capability of IHS to provide at least the same level of care as in previous years. Our Northwest tribes thank you for that support, particularly in increasing appropriations for contract health care, an urgent priority in the Northwest. Now we must again ask your assistance in protecting Indian health care.

In the area of clinical services, we are most disturbed by the program decreases proposed for the dental, mental health, alcoholism, and contract health care programs, and the inadequate mandatory cost increases allowed under hospitals and clinics. Quality of care would suffer greatly with such inadequate resources to serve an expanding service population. Many Indian people would have to be turned away from our IHS and tribal clinics. Contract health care would again be restricted to life-threatening cases only. Mental health and alcoholism programs, which are not now able to meet the demand for care, would be even less able to deal with these serious problems in our communities.

Preventive programs are hit even harder in the Administration's proposed budget, with sizeable workload decreases in sanitation, public health nursing, and health education. The Community Health Representative Program, one of the most valuable IHS programs and the sole health presence on many of our small reservations, is again in danger of elimination, although Congress has repeatedly recognized its vital importance to Indian health care. These cuts are not reasonable or cost-effective and we urge your action in restoring these necessary programs.

We oppose the integration of $19.4 million in projected reimbursements from Medicare, Medicaid and third-party payors into the IHS base budget, covering necessary expenditures for mandatory cost increases in hospitals and clinics, sanitation, public health nursing and health education. $15.4 is scheduled to be taken from the Medicare/Medicaid collections, which totaled less than $25 million in FY 1983. The projection of $55.4 million in FY 1985 collections is unrealistic and is probably over twice what IHS will receive. Dependance upon $4 million in other third-party collections is also unrealistic. What are the contingency plans to be followed if these reimbursements fall far short of the optimistic estimates? If over half the 1985 Medicare/Medicaid collections are siphoned off to cover mandatory costs instead of being used to correct deficiencies in hospital and clinic facilities, the JCAH accreditation of our IHS facilities could be jeopardized.

Over the years, the Congress has strongly supported the efforts of our tribal governments to become more involved in health care by assuming responsibility for administration of IHS programs. The proposed elimination of the tribal management funds, which support tribal PL 93-638 development activities, would be a set-back for Indian self determination. The Northwest Portland Area Indian Health Board and other Northwest health advisory boards are funded through this line item to provide an organized mechanism for advising IHS of the needs and priorities of the Indian clients and tribal governments, as well as to provide health information and technical assistance on 638 contracting and other issues. These boards will also be eliminated if the tribal management funds are lost. Please support tribal self-determination activities by restoring the tribal management funds.

The phase-out of the Indian health manpower program would also be a blow to self-determination by depriving hundreds of Indian students of the chance to become health professionals in Indian health programs. A budget cut in the scholarship program is particularly short-sighted, as IHS is now suffering severe shortages of health professionals, a problem which will become critical when the National Service Corps placements are no longer available.

The elimination of the urban health projects in Seattle, Spokane, and Portland would cause an overload in Northwest IHS and tribal clinics; we would not be able to serve this additional population.

The proposed elimination of all funding in FY 1985 for facilities construction and sanitation facilities construction is of great concern to our tribes, because we know that dollars properly spent in these areas have a huge pay-off in cost-benefit and improved health status. In the Northwest, ambulatory care facilities are the backbone of the IHS health program, providing culturally-appropriate primary health care combined with vital preventive programs. At their best, these clinics provide personal attention to clients and their families, at each visit educating them to be healthier and more health-conscious. Where adequate clinics exist in the Northwest, contract care hospital admissions have declined. The capital investments made in IHS ambulatory care facilities pay a far greater dividend in health status improvements than the much larger investments necessary for hospital construction.

Unfortunately, the ambulatory care program has received very little attention in recent years. Since the facilities construction priority system went into effect in 1981, only three clinics have been built. In the Northwest, we have numerous clinics serving enormous caseloads in overcrowded, outdated facilities. The crowded conditions and long waiting times create much patient dissatisfaction and are very detrimental to staff morale. Where facilities and equipment are inadequate, our Indian patients are shunted into emergency rooms and other inappropriate, high-cost settings.

The services provided in our IHS clinics are not available in the private sector; there is no substitute for what they have to offer. We urge Congress to consider the importance of these small but overwhelmingly important components of the Indian health care system. They have been overlooked too long. Please restore them to the priority they deserve.

There is also a continuing need in the Northwest for sanitation facilities construction. This is an important preventive health measure which is of great importance to our tribes. Even if new housing construction is slowed, there is a large backlog of existing sanitation systems which are sub-standard and a health hazard. Federal dollars spent in improving the sanitation systems on our reservations reduce clinic and hospital visits and play a significant role in reducing the infant mortality rate in our Indian population, a rate which is still well above that of the general population.

The Administration proposal to restructure the IHS budget by transferring the Indian Health Facilities Program into the Indian Health Appropriation is a change we cannot support. Such a move would lessen the separate identity of construction funds and would make it easier for the Administration to use these funds for purposes other than construction. The multi-year availability of the funds would also be lost. Please protect the Indian Health Facilities Program by preserving the present IHS budget structure.

Thank you for the opportunity to testify here today.

STATEMENT ON BEHALF OF THE OGLALA SIOUX TRIBE OF THE PINE RIDGE RESERVATION BY NEWTON CUMMINGS, TRIBAL COUNCILMAN BEFORE THE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES OF THE HOUSE APPROPRIATIONS COMMITTEE

February 21, 1984

Mr. Chairman, my name is Newton Cummings. I am Chairman of the Finance Committee of the Oglala Sioux Tribal Council and have been authorized by the Tribe to submit this statement on the proposed Bureau of Indian Affairs and Indian Health Service budgets for Fiscal Year 1985.

First, I wish to thank the Congress for compelling the Bureau to follow the Tribal Council's funding priorities for Fiscal Year 1984. I also want to be sure that the record is absolutely clear as to what the Tribe's dispute with the Bureau on the F.Y. 1984 budget was about. The Tribe fully recognizes the need to increase funding for the discharge of the federal trust responsibility as to tribal lands and funds on the Pine Ridge Reservation. The Tribe agrees with the Bureau that these programs are underfunded at present and that, as a result, the Tribe's range has deteriorated due to prairie dog infestation and tribal income has been reduced as a result of Bureau mismanagement.

However, when the Bureau proposed to increase these programs in F.Y. 1984 by cutting law enforcement and education programs, the Tribe objected. We pointed out that the present level of law enforcement funding is essential to protect lives and property on the Reservation and that a cutback in education is simply giving up the future of our people. We insisted on no reductions in these programs, and we asked the Bureau to seek an increase in funding for trust programs.

We note that the F.Y. 1985 budget does include modest increases (Bureau-wide) in natural resources development and trust responsibilities. We note that the Bureau justifies a small ($279,000) increase in financial trust services based on "tribal concerns about the Bureau's ability to manage trust income with the limited resources presently provided." Nevertheless, no increases to handle our trust income or conserve our tribal range are projected in the F.Y. 1985 figures given us by the Bureau for our programs at Pine Ridge. The inadequacy of our trust services are such that we could utilize this entire $290,000, in addition to the $272,000 budget planned for trust services on our Reservation by the Bureau. The Bureau has informed us that it is proposing a prairie dog control program to protect our tribal range to be funded by an F.Y. 1984 supplemental appropriation, but we understand that no such supplemental appropriation has been requested from the Congress as yet.

Mr. Chairman, we request your urgent attention to the deficiences in the Federal Government's discharge of its trust responsibility on the Pine Ridge Reservation, particularly as to the collection and handling of tribal income and the conservation of the Tribe's grazing lands. We ask that you work with the Bureau to assure an adequate funding level for these programs without making the drastic cuts in education and law enforcement which the Bureau has proposed in the past.

Finally, we wish to oppose the Bureau's proposal to eliminate the separate budget item for Indian Contract Support. Our Tribe operates approximately $3.7 million of Bureau programs (including educational, law enforcement, tribal courts, housing and aid to tribal government) under Public Law 93-638. We understand that section 106(h) of Public Law 93-638 requires the Government to provide us with sufficient overhead funding over and above the Agency level of funding for these programs to allow us to meet the additional costs of contracting without diverting Agency level funds to pay for overhead.

The present system may not be perfect but it is based on that principle. When there is a shortfall, Congress has demonstrated its support for Public Law 93-638 by providing supplemental funds.

Under the Bureau's new plan, no such supplemental for 638 overhead would ever be requested again. Any increase in 638 overhead would simply be paid for by cutting down on the services available to Indian people. We think this approach is intended to strengthen the Bureau in its struggle to maintain its control over our lives by discouraging the tribal operation of Bureau programs, and we ask your Committee to reject it.

We fully support the Bureau's plan to work with the Interior Inspector General and other federal agencies to ensure timely negotiation of overhead costs and full reimbursement of such costs by the Government. These are the only changes really needed in the present system if the Congress still intends to fulfill the promise made by the President in 1970 that Indian tribes can operate their own programs with continued federal financial support.

One further point for your attention is the adequacy of the overhead funds requested by the Administration, even if the new approach of lumping overhead with program funds is accepted. The Bureau is requesting a total of $37,788,000 for 638 overhead funding. We understand from Bureau sources that its latest estimate of the amount needed to pay 638 overhead costs in F.Y. 1985 is $50,000,000. We urge you to take this matter up with the Bureau and ensure that sufficient 638 overhead funds are appropriated in F.Y. 1985 to permit continued 638 contracting without cutbacks in services to finance overhead costs.

On behalf of our Tribe, I also wish to comment on one aspect of the Indian Health Service budget request for F.Y. 1985. The Administration has failed to request funds for construction of the Pine Ridge Indian Hospital although the Congress has appropriated $1,360,000 for planning and design of the hospital. Since planning and design funds are already available, the project should be ready for construction long before September 30, 1985. The need for a new hospital at Pine Ridge is well recognized by the Indian Health Service and by your Committee. We appreciate the support for the project which you demonstrated by the decision to approve the design and urge that the Congress follow through by appropriating construction funding as soon as possible.

The Administration has also failed to include funds for design and construction of the out-patient facility at Kyle on our Reservation, although this project was approved by this Committee, which provided planning funds in the F.Y. 1984 appropriation. We understand that the Indian Health Service has identified a need for $3,760,000 to complete the construction of this project.

Thank you, Mr. Chairman, for your continued interest in and helpfulness to the Oglala Sioux people.

ROUGH ROCK SCHOOL BOARD, INC.
Rough Rock Demonstration School • Box 217 • Chinle, Arizona 86503

JIMMIE C. BEGAY
Executive Director

January 20, 1984

(602) 728-3311

Honorable Mark Andrews, Chairman
Senate Select Committee on Indian Affairs
SH 838 Hart Senate Office Building
Washington, D. C. 20510

Dear Honorable Andrews:

Enclosed you will find materials submitted by Rough Rock Demonstration School (a Contract School operating under public law 93-638 on the Navajo Indian Reservation) to individual Congressmen and Appropriations Committees.

We are at a threshold of improving quality Indian education, but without your help, we cannot accomplish the total educational goals as set forth by our school. You can be of great help, making sure we have monies available at the beginning of each fiscal year, which is October. We have proposed, as well as other contract schools, that Congress resolve late funding to schools by introducing Forward Funding, whereby monies are appropriated one year in advance to start full operation promptly.

Attached also are school board resolutions which speak to the ongoing problems that exist within the context of indirect costs. In a recent study made by the American Indian Law Center in Albuquerque, they recommended to the Bureau that all public law 93-638 contractors be funded at 15.3% administratively. This level of funding would drastically curtail services to programs involved. Also, as of today, our school has not yet negotiated overhead costs for our current fiscal year, thus making it extremely hard for us to operate fully and at the same time be in contractual compliance.

Other resolutions and documents touch upon such matters as prekindergarten, reauthorization of Title VII and Title IV programs and the insufficiencies in the Bureau of Indian Affairs' Indian School Equalization Program formulae.

We would appreciate any support you can give to Indian educational endeavors. We hope these materials denote our needs in succinct yet meaningful fashion.

Sincerely,

Jimmie C. Becay
Executive Director

School Board Members: Emmett Bia, Sr. • Ernest W. Dick • Wade Hadley • Leo J. Gamble • Jim D. Phillips • Billy Johnson

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POSITION PAPERS

SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

February 21, 1984

Presented by Jimmie C. Begay, Executive Director

ROUGH ROCK DEMONSTRATION SCHOOL
Box 217
Chinle, Arizona 86503

My name is Jimmie C. Begay and I am representing Rough Rock Demonstration School which is situated on the Navajo Indian Reservation in Rough Rock, Arizona.

Mr. Chairman and members of the Subcommittee; I appreciate the opportunity to describe the concerns pertaining to the needs of our school, which presently is operating under the aegis of Public Law 93-638.

Rough Rock Demonstration School was the first contract school, starting in 1966 when education was failing Indian students. At that time, people started to look for alternative education and Indian educators felt that one of the best possible methods was to introduce bilingual and bicultural programs into regular academic settings, bringing home the environment into the classroom so that students would feel at ease, learning both side of culture. Since we were the forerunner of Indian Education with community involvment, there have been hundreds of P.L. 93-638 programs springing up all around the country. We can say that our dream did not falter by the wayside, but again looking from another perspective, we did not foresee that Indian Self-Determination was going to be impacted by endless red tape -- guidelines, regulations and policies which appear to negatively affect the spirit and intent, not to mention the ability to implement and administer the program of P.L. 93-638 educational operations for Indian youth. I guess to be under the jurisdiction of the Bureau of Indian Affairs and trying to be self-determined, one has to be strongly impacted by federal guidelines. However, instead of simple regulations, we have to contend with a continual lack of responsiveness and continuity at all levels of the

Bureau of Indian Affairs which expend our critical effort and dollars simply trying to determine what guidelines are currently in force and how we can maintain inegrity of program and administrative accountability in the field when said guidelines do not reflect our realistic needs or situation in the field.

At this time, I would like to address our current concerns which we feel will drastically affect Indian Education.

INDIRECT COST:

The American Indian Law Center currently proposed a 15.5% rate however it appears the Bureau of Indian Affairs is hanging up with a current impetuous to 'grandfather' the current rate of each contract school into a base program. If this proposal is implemented, both the administration and school program will suffer severe cutbacks which cannot be absorbed without drastic consequences to ongoing goals and objectives of the individual contract schools. Under P.L. 93-638, one of the purposes is to foster the development of sound program and administration which is responsive to the specific goals, objectives, and philosophies of the individual contract school. Obviously, not all administrative costs can be expected to be the same -- the salient factors surrounding each program are unique and demand specific responses. The issue of how Indirect (administrative) cost will be developed has never been resolved since 1975 with a result of great detriment to all contract schools. As of this date, Rough Rock Demonstration School has not yet negotiated any indirect cost for fiscal year 1984 even though said year began on October 1, 1983. No organization can meet program objective and goals of their contract laboring under such a unwieldy process. The current response to the matter of Indirect Cost simply does not augment a realistic approach to program or administrative accountability.

FORWARD FUNDING:

The Contract Schools never receive fiscal year monies until in February or March of the calendar year following the October of the previous calendar year which marks the beginning of the fiscal year. Neither has the federal government approved the budget nor has the amount of the per capita student allotment been determined. These factors render the contract school's budgeting process a farce with drastic negative impact on the appropriate utilization of funds for children as mandated under the contract. Forward funding would allow the contract school to receive their monies in advance of the beginning of the program year and subsequently to plan and implement program with the acountability which is the desire of both the Congress and the Contract School. This problem has been in existence since the implementation of P.L. 95-561 and we feel becomes more imperative that it be resolved each year.

REVISION OF P.L. 95-561:

We support the revision of the Weighed Student Factor to a mcre realistic and flexible one. At this time, we receive only 20¢ per mile for transportation regardless of the fact that the majority of our roads are unimproved dirt roads; regardless of the increase of costly petroleum products; and other necessary resources. In our isolated area, with the adherant conditions, 20¢ per mile is a joke -- a sorry joke on our children and programs. We receive no monies for food, counseling programs, dormitory budgets are short-cut and there is no matching monies provided for the operation of the contractually mandated vocational educational program. Said program is supposedly allotted 1% set aside monies from the Bureau of Indian Affairs. To this date, no such funds have been made available. The time is overdue if this valuable and relevant educational component is to be continued for our children. With other federal funding sources less and less available to us for this program, we become more and more concerned that the Bureau meet its obligation in this respect.

OPPOSED TO BUREAU REPROGRAMMING OF ISEP FUNDS:

We have found out that approximately 3.5 million dollars of critical ISEP funds especially allocated by Congress for the education of students, is currently being targeted for reprogramming by the Bureau to meet its own administrative goals. We strongly object and request that this critical resource be funneled back into the education of children as originally mandated by Congress and as is desperately needed by program. The Bureau of Indian Affairs has a need to look to its own house to find the reason for continued administrative deficits rather than to appropriate critical ISEP funds to make up for problems generic to their own bureaucracy.

SUPPORT FOR UPDATING AND TIMELY IMPLEMENTATION OF OPERATION AND MAINTENANCE PROGRAMS:

At this time, the operations and maintenance program is seriously lagging. Our facilities are in despair. Our school is currently in need of one million dollars to meet the needs of updating our facilities as previously evaluated and targeted by the Bureau of Indian Affairs in 1981. This is critical for us to meet the standards necessary to become certified by the North Central Accreditation Association. We can meet program objectives only if our facilities are up to code and support our program as contractually mandated.

SUPPORT CRITICAL TITLE IV, VII PROGRAM[illegible]

Our school and school board repres[illegible]he ongoing goals and philosophy of our traditional community in maintaining the necessity and efficacy of the language and culture programs for Indian youth. Our Materials Development Program has produced and continues to produce critical curriculum supplemental materials which heretofore has been unavailable to our youth. Our teacher training program has produced 90% of our elementary school teachers and is a valuable program for increasing the competency of our Navajo teachers. We support the ongoing need for bilingual education -- from PreSchool through the 12th grade. We know what advantages appear in the test results of our children who come to us monolingual in a language not of the dominant society and having to accomodate themselves to the dominant language. These critical entitlement programs for the support of teacher training, materials development, bicultural and bilingual education must be maintained. The reality of the current differences between our language and culture and that of the dominant society demand that we meet the needs of our youth with compassion and an understanding of how such programs speak to their needs to become educated, functional, integrated citizens with a positive self-concept and an ability to identify and participate in the choices available to such citizens. We strongly support that Title VII Indian Education Program be supported and reauthorized for continued operation.

VOCATIONAL EDUCATION PROGRAM:

We have been operating Vocational Education Program for our younsters for the past four years and students are highly interested in these selected courses. Over 69% of the secondary student body are taking various Vocational Education courses. A special thanks to the House and Senate Appropriation Committees, the Senate Select Committee on Indian Affairs for their support in funding add-on dollars to help build a nice Vocational Education facilities, Gymnasium, and a Library complex. The Vocational Education building is one of the best equipped facilities on the Navajo Indian Reservation. Currently we are operating 100% level with these courses: Building Trades, Automotive, Welding, Drafting, and various Business Courses. As I mentioned, there is a high interest by students in taking these courses. Without monies, these courses can no longer be continued thus curtailing the services. During the last three years, the program has been operating on supplemental monies and said monies have run out through Fiscal Year 1983 and have been unable to find other sources to continue the program.

The Committees have been setting aside 1% for program operation and the Bureau of Indian Affairs is supposed to match the 1% set aside and they have at the secretarial level reviewed the matching. We would like to request through your committee to urge the BIA to match your amount set aside to adequately fund these Indian programs. The Indian School Equalization Program formula does not address categorically line item for Vocational Education Programs and even set amount of money were to be programed, other areas of student services have to be curtailed.

We strongly urge through your Committee to support that adequate funding be provided for Vocational Education Programs.

PRE-KINDERGARTEN:

Again, through your Committee's interest in Indian Education, we have been able to receive funds to operate a pre-kindergarten program at the local level. Rough Rock Demonstration School has had a pre-kindergarten program since 1966 and having students start early has made academic difference in the latter years. We have seen a more positive attitude and motivational approach to school learning. The academic achievements show progression and they seem to be more result oriented. Once again, we are uring support, even though the last funding period is Fiscal Year 1984, that pre-kindgarten monies be funded again for Fiscal Year 1985 or adequate funding be allotted to the Bureau so schools like ours can get program funding under social services.

Currently, we have seventy youngsters in the 3 - 5 year olds in the early childhood program and within a two year period, projection we will enroll around eighty-five students. The enrollment at this level has been a steady growth and this demands of us to provide a quality program.

We urge Appropriation Committees to support the youngsters to have an early start in education by funding them adequately.

I thank you for this opportunity to address these critical issues. I appeal to your judgement and compassion to assist us in our efforts to develop a competent institution which will be responsive to the needs of our Indian youth and to the needs of the dominant society as well. In order to fulfill the goals and philosophies of the contract school, we must have regulations and policies which are mutually supportive and allow us to be accountable.

[The submission of the Rough Rock School Board, Inc. was quite voluminous and considered too expensive to print. The remainder has been retained in committee files.]

WRITTEN TESTIMONY TO THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS TO BE INCLUDED IN THE HEARING RECORD FOR THE HEARING HELD FEBRUARY 21, 1984

Dear Committee Members:

I am Joe McDonald, President of Salish Kootenai College, on the Flathead Indian Reservation, in Western Montana. I thank you for the opportunity to provide written testimony on appropriations. Salish Kootenai College (SKC) is a member of the American Indian Higher Education Consortium (AIHEC). Members of AIHEC provided the Committee with excellent testimony regarding appropriation needs at the February 21, 1984 hearing and SKC agrees and supports this testimony.

We have a tremendous need for a supplemental appropriation. We planned our expenditures on an initial contract with the BIA of $546,250. It was recently amended to $435,884. This is a 20% reduction in funds at a time when we are two thirds of the way through the school year. It is my understanding that the Senate Report on the original FY 84 appropriations includes comments by Senators that the Senate would support a supplemental to assure each tribal college of $2812 per FTE.

Fall quarter SKC had 172 FTE, Winter quarter we have 200 FTE, and Spring quarter we'll be about 190, so our average will be about 187. If we can get $2812 per FTE and we average 187 FTE for the year, then $2812 X 187 FTE will result in $525,844. This amount will be back close to our original contracts and will meet our planned budget expenditures.

If we don't get the supplemental we will be $110,000 short of meeting projected expenditures. We have entered into contracts with faculty that we cannot get out of and have fixed costs that we are obligated to meet. We cannot back out from the total planned expenditure of $546,250 from PL95-471 funds.

In our present budget we have already planned to expend $97,000 from tuition collected. The additional $110,000 shortage PL95-471 funding will result in our spending $207,000 from this year's tuition ($117,000) and from our cash reserves ($120,000). As you can see, our final resources planned to help us become self-sufficient will be depleted.

I reiterate the AIHEC committee's testimony in saying that the tribal colleges desperately need a supplemental appropriation of $1.1 million.

The second part of my testimony deals with the FY 85 budget request. The BIA once again grossly under estimated our need if we are going to provide reasonably adequate educational programs for our tribal colleges. We can't survive if the appropriation is $6.09 million we desperately need $9.3 million as requested by Janine Windy Boy on behalf of the AIHEC schools. A modest estimate of the FTE for FY 85 in the Title I schools is 3100. It will certainly not be 2549 as predicted by the BIA in their budget request. Please look at this appropriation realistically so that next year we can have a reasonably good education program and not be coming back to Congress for a supplemental appropriation request.

Thank you very much for your interest in Indian education and I will appreciate your help in obtaining a supplemental appropriation for tribal colleges and for a reasonable appropriation level for FY 85. I will be more than pleased to provide additional information for you and even meet with you personally to explain our financial situation at Salish Kootenai College.

Respectfully Submitted By:

Dr. Joseph McDonald, President
Salish Kootenai College
Flathead Indian Reservation
Pablo, Montana 59855
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PREPARED TESTIMONY OF WAYNE J. JOHNSON, TRIBAL BUSINESS MANAGER WALKER RIVER PAIUTE TRIBE, SCHURZ, NEVADA

Mr. Chairman, my name is Wayne Johnson, and I am the Tribal Business Manager of the Walker River Paiute Tribe, of Schurz, Nevada. I have been designated by the Tribe to relate to the US Congress, the budgetary problems we have and continue to experience with our reservation irrigation system. We are situated in an isolated area about 100 miles south of Reno, Nevada. This reservation has a population of approximately 600 people with 21% or 128 of these being irrigation water users. Ninety percent or 115 of these water users are Indian. The average farm size is 21.87 acres. Our distribution system consists of approximately 16½ miles of four foot concrete ditch and approximately 19 miles of earthen ditches. This system also has a 14,900 acre-foot reservoir and one river diversion structure.

With 1/5 of the reservation population dependent upon agriculture for some portion of their income, it is critical to the economy of our reservation to maintain an efficient irrigation delivery system. During FY82 and 83, the irrigation system was operated by the Walker River Paiute Tribe via a PL93-638 contract with the Bureau of Indian Affairs (BIA).

During FY83, the Walker River Paiute Tribe received $13,250 from the BIA for the Operation and maintenance of this irrigation system. An additional $3,048.55 was received from assessments the BIA made upon the water users. The Irrigation Operation and Maintenance (O&M) monies are distributed by the Agency based solely upon historic precedence. Below are the allocations of 3800 funds (Irrigation O&M) of the Western Nevada Agency:

H61	Western Nevada Agency	Project Size (Acres)		OM&R Allotment	Allotment Per Acre	Category
085-3-3800	Ft. McDermitt	967		16,940	17.52	3
088-3-3800	Fallon	1,610		79,980	49.68	5
089-3-3800	Moapa	471		3,450	7.32	3
090-X-0800	Pyramid Lake	951		15,490	16.29	2
091-X-0800	Walker River	2,830		13,250	4.68	2
092-3-3800	Carson Misc			32,240		
	Yomba	1,634	16,120		9.86	3
	Campbell Ranch	929	10,530		11.33	3
	Summit Lake	500	5,590		11.18	3
161-3-3800	Washoe Ranch	417		3,450	8.27	3

From the above figures, it is apparent that some reservations which have extensive irrigation systems are receiving a disproportionately small allocation of funds, given their size. For instance, assume the Fallon Reservation has about 1,600 acres under irrigation, it receives an allocation of about $49 per acre. By contrast, the Washoe Tribe receives an allocation equivalent to about $8 per acre, assuming it irrigates 417 acres. The Walker River Reservation irrigates approximately 2,800 acres and receives only $5 per acre.

Economies of scale do not justify these equitabilities. Of these systems, the one mandated system (Fallon) receives far more money per acre than other reservation systems. It is questionable whether Fallon's allotment can be justified, based solely on assessments made by the Truckee-Carson Irrigation District, the entity which manages the irrigation system in the entire Fallon area.

The problem appears to be that the BIA has simply not requested adequate funding from Congress for the operation and maintenance of reservation irrigation systems. As stated in Conference Report No. 98-399, "The managers agree with the direction in the House report regarding the need for more detailed and completed justifications for the Irrigation O&M account in the future" (p. 22). House Report

No. 98-253 states, "The Committee remains concerned [illegible] as for the past two years, that each year, large increases are proposed [illegible] activity, without adequate justification to enable the Committee to understand [illegible] s for these increases. Rather than decrease the estimate, and penalize the [illegible] people involved, the Committee has agreed to the amount proposed" (p. 52).

However, Indian people are being penalized both by the BIA's action and inaction. On page BIA 185 of the US Department of the Interior Budget Justifications, FY85, the BIA proposes a reduction from $412,200 in FY84 to $266,700 in FY85. The stated justification for this major reduction is that "the reductions in these requests reflect self-imposed constraints with intent to require the projects to operate more efficiently and to utilize belt-tightening measures". Belt-tightening measures were proposed unilaterally by the BIA on all tribal systems for FY85.

In Western Nevada, the imposition of such additional reductions proposed for FY85 are especially critical to the only two reservations which have been classified as Category 1 systems. Any deficits which occur within Western Nevada Reservation irrigation systems are recouped by further reducing allocations to the two category 2 systems, Pyramid Lake and Walker River. Shortfalls on these two reservations are proposed to be regained by increasing the assessment rate imposed upon water users on these two reservations. This policy magnifies the inequitabilities already existing among reservations of Western Nevada.

A minimum budget for irrigation O&M on the Walker River Reservation is $35,000. However, since the Tribe began managing this irrigation system in FY82, it received $14,500 the first year and $13,250 the second year. These levels of funding are totally inadequate. By comparison, when the BIA operated this system three years ago, it was paying $17,000 solely for the ditch rider's salary. Given all the other costs of operating this irrigation system, it is highly unlikely that the BIA can operate this irrigation system for less than $35,000.

Despite Congressional mandates over the last two years, the BIA consistently fails to provide a more detailed budget. One plausible basis for this failure is that by its nature, the BIA has a top down structure. Needs of Indian reservations are defined in either the BIA's Central or Area Offices. Funding is secured and distributed to the Area Offices, then distributed to Agency Offices and, in turn, distributed to Indian reservations. In such a structure, detailed budgets cannot be formulated because the needs for each specific reservation irrigation project cannot be identified at the third and fourth level of administration. Also, in this type of system, allocations made at each level can be based upon partisan treatment of selected reservations to the detriment of other reservations.

Prior to the FY83 irrigation season, the Superintendent of the Western Nevada Agency held two meetings at which representatives of seven Western Nevada reservations discussed the redistribution of that Agency's allocation of O&M monies. At these meetings, agency staff and the reservation representatives developed a formula upon which O&M allocations could be made. Eleven factors were taken into consideration: the number of small vs. large acre parcels irrigated within an irrigation system; the amount of earthen vs. concrete lined ditches; the number of concrete and/or rock diversion dams; the number of syphons; the number of river and/or well pumps, the number of reservoirs; as well as the amount of fixed water master fees.

Apparently for political reasons, agency personnel are not willing to make changes in the methods and amounts each reservation was allocated in the past. Therefore, any inequities which existed in the past continue to exist indefinitely. Even more frustrating for tribal irrigation systems, for budgetary purposes, irrigation projects are classified as "non-banded" contracts; Tribes are not allowed input to budget formulation at the Agency level for projects designated "non-banded". The Walker River Paiute Tribe is outraged that the BIA formulates a budget for a tribal irrigation system without consulting the tribal operational level of the irrigation distribution system.

Clearly, there are numerous inequities in the manner in which the BIA Agency Office distributes irrigation O&M money. In light of these inequities at the Agency Office, there are similar inequities in the manner in which the Bureau's Central Office distributes 3800 monies. We propose that all irrigation monies distributed out of the BIA's Central Office be distributed on a formula basis, based on either the size of the project or on some other objective criteria that has some relevance to need.

We further propose that a formula be adopted at the Central Office level for the distribution of irrigation O&M monies at all levels for every reservation and also that congressional appropriations be made to each individual irrigation project.

Advantages for implementing such a system are evident. First, the current inequities in the distribution of irrigation O&M monies would be reduced or eliminated. By its own admission, the BIA in the FY85 Budget Justification, (p. BIA-185) has been making "payments from appropriated funds to Category 1 (irrigation) projects" despite Assistant Commissioner Fred Massey's directive of July 11, 1960 to discontinue such payments. Irrigation projects will comply with statutes if discretionary powers of the BIA are reduced at all levels.

Secondly, especially for those tribes which wish to 638 contract their irrigation projects, implementing this proposed formula would be a major move toward Indian self-determination and would reduce the top down structure of the BIA. Tribes will be motivated to define the needs of their own individual irrigation systems. Irrigation Committees will become political arms of tribes to promote the passage of favorable legislation. Presently, tribal irrigation committees are either largely non-functional or non-existent.

Third, reservation irrigation systems managed by each tribe will be more responsive to the needs of water users than the BIA. When the irrigation system is administered by the BIA, the reservation water users receive irrigation water later than the surrounding farming communities. While the Walker River Paiute Tribe operated its irrigation system these last two years, irrigation water was delivered two weeks to a month earlier than the BIA did in prior years.

Due to an insufficient allocation from the BIA Agency Office to operate the system, in February of this year, the Walker River Paiute Tribal Irrigation Board moved not to contract the reservation irrigation system for FY84. Since February 1984, the BIA has not made any effort to assure water delivery by April 15 to Walker River Paiute Tribe water users. There is extensive storm damage to the concrete canal system which needs to be repaired, canal and laterals need to be cleaned and burned. To date, the BIA still has not made any effort to prepare for the upcoming irrigation season. Also, since tribes have more of a vested interest in the reservation irrigation system than the BIA, detailed budget justifications requested by Congress are more likely to be provided by tribes than it has been by the BIA.

Finally, with less discretionary power centered in the BIA, especially at the Agency and Area levels, there would be a substantial reduction in need for BIA personnel. This cost savings could be passed on to tribes at the operational level. Tribes would establish their priorities independently and not in competition or at the expense of other tribes within the agency.

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